

VBF VIETNAM BUSINESS FORUM

ANNUAL VIETNAM BUSINESS FORUM

**Businesses Partnering with the Government
for a Green Transition in the Digital Era**



Hanoi, November 10, 2025

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DISCLAIMER

The Vietnam Business Forum (“**VBF**”) is a structured and ongoing policy dialogue between the Vietnamese Government and the business community for a favorable business environment that attracts private sector investment and stimulates sustainable economic growth in Vietnam.

This publication was created for the Annual Vietnam Business Forum held on November 10th, 2025 in Hanoi.

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ANNUAL VIETNAM BUSINESS FORUM 2025

BUSINESSES PARTNERING WITH THE GOVERNMENT FOR A GREEN TRANSITION IN THE DIGITAL ERA

Date & Time: 14:00 – 18:00, Monday, 10 November 2025

Venue: Grand Ballroom, Lotte Hotel, 54 Lieu Giai, Giang Vo, Hanoi

TENTATIVE AGENDA

13:30 - 14:00	Registration
14:00 - 14:20	Opening Remarks & Keynote Addresses - Ministry of Finance – <i>Mr. Nguyen Van Thang, Minister</i> - International Finance Corporation (IFC) – <i>Mr. Thomas Jacobs, Acting Regional Director, East Asia Pacific</i> - World Bank in Vietnam (WB) – <i>Ms. Mariam J. Sherman, Country Director for Viet Nam, Cambodia and Lao PDR</i> - Vietnam Business Forum Consortium – <i>Mr. Ho Sy Hung, VBF Co-Chair</i>
SESSION 1 IMPROVING THE BUSINESS AND INVESTMENT ENVIRONMENT TOWARDS A GREEN TRANSITION IN THE DIGITAL ERA	
14:20 - 15:15	- American Chamber of Commerce in Vietnam (<i>AmCham</i>) – <i>Mr. Mark Gillin, Chairman/ Chairman & Managing Director of America Indochina Management (AIM) (7')</i> - Vietnam Chamber of Commerce and Industry (<i>VCCI</i>) – <i>Mr. Dau Anh Tuan, Deputy Secretary General & Head of Legal Department (7')</i> - British Chamber of Commerce Vietnam (<i>BritCham</i>) – <i>Mr. Denzel Eades, Chairman/ Co-Founder and Managing Director, Pioneer International Consulting (7')</i> - European Chamber of Commerce in Vietnam (<i>EuroCham</i>) – <i>Mr. Bruno Jaspaert, Chairman/ CEO, Deep C Industrial Zones (7')</i> - Japanese Chamber of Commerce and Industry in Vietnam (<i>JCCI</i>) – <i>Mr. Wakabayashi Koichi, Chairman/ General Director, Mitsui&Co.Vietnam (7')</i> - Korea Chamber of Business in Vietnam (<i>KoCham</i>) – <i>Mr. Ko Tae Yeon, Chairman/ General Director, Heesung Electronics Vietnam (7')</i> - Representative of Associate Chambers (<i>AusCham</i>) – <i>Mr. David John Whitehead, Director/ Chairman, Mavin Group (7')</i>
SESSION 2 ROLE AND RESPONSIBILITIES OF BUSINESSES IN ADVANCING THE GREEN TRANSITION IN THE DIGITAL ERA	
15:15 - 15:45	(1) Advancing Science, Technology, and Innovation for the Green Transition Improving the institutional framework for the development of science, technology, innovation, and the digital economy – <i>Mr. Seck Yee Chung, Representative of the Digital Economy WG/ Partner, Baker McKenzie Vietnam (5')</i>

	- Promoting technology transfer and strengthening linkages between domestic enterprises & FDI businesses – <i>Mr. Tran Anh Duc, Co-Head of the Investment & Trade WG/ Senior Partner, A&O Shearman (5')</i> (2) Developing Infrastructure, Human resources & Green Energy Transition for Sustainable Growth - Developing high-quality infrastructure – <i>Mr. Tran Tuan Phong, Head of the Infrastructure WG/ Partner, VILAF (5')</i> - Developing human resources for high-quality FDI – <i>Mr. Colin Blackwell, Head of the Human Resources WG/ Chairman, Hyperion Fintech (5')</i> - Partnerships for a Strong Circular Economy, Carbon Markets, and Green Innovation – <i>Ms. Van Ly, Co-Head of the Agriculture & Environment WG/ Co-Founder & CEO, Raise Partners (5')</i>
15:45 - 16:00	TEA BREAK
SESSION 2 (continued) ROLE AND RESPONSIBILITIES OF BUSINESSES IN ADVANCING THE GREEN TRANSITION IN THE DIGITAL ERA	
16:00 - 16:15	(3) Green Finance - Green finance & digital transformation in banking – <i>Mr. Takao Nozaki, Head of the Banking WG/ Head of Vietnam, General Director of Hanoi Branch, MUFG Bank (5')</i> - Capital market development to promote sustainable growth – <i>Dr. Lê Anh Tuấn, Representative of the Capital Markets WG/ CEO, Dragon Capital (5')</i> - Stable and Incentive-Based Tax Environment for Businesses – <i>Mr. Takahisa Onose, Representative of the Tax & Customs WG/ Deputy General Director, Ernst & Young Vietnam (5')</i>
SESSION 3 RESPONSES FROM THE GOVERNMENT	
16:15 - 17:00	- Ministry of Finance - Ministry of Industry and Trade - Ministry of Agriculture and Environment - Ministry of Science and Technology - Ministry of Home Affairs - Ministry of Construction - Ministry of Public Security - Ministry of Culture, Sports and Tourism - Ministry of Education and Training - State Bank of Vietnam
17:00 - 17:50	KEYNOTE ADDRESS BY PRIME MINISTER PHAM MINH CHINH
17:50 – 18:00	Closing Remarks - Vietnam Business Forum Consortium – <i>Mr. Nguyen Michael Vu, VBF Co-Chair</i> - Ministry of Finance – <i>Mr. Nguyen Van Thang, Minister</i>



POSITION PAPER OF AMERICAN CHAMBER OF COMMERCE IN VIETNAM

Introduction

The American Chamber of Commerce in Vietnam (AmCham) is honored to participate in this year's Vietnam Business Forum under the theme "*Businesses Partnering with the Government for a Green Transition in the Digital Era.*" We extend our sincere appreciation to the Prime Minister, the Ministry of Finance, and all government stakeholders for their commitment to constructive dialogue and partnership with the business community.

For over three decades, AmCham has stood beside Vietnam on its journey of economic transformation, from industrialization and trade liberalization to today's pursuit of green and digital growth. As Vietnam and the United States elevated their relationship to a Comprehensive Strategic Partnership in 2023, this cooperation has become even more meaningful. Together, our nations are charting a path toward a sustainable, resilient, and innovative future.

AmCham represents a community of more than 650 member companies and 2,500 business leaders across manufacturing, energy, technology, healthcare, finance, and consumer goods. Our members bring capital, technology, and global best practices that drive innovation, create jobs, and strengthen Vietnam's role in global supply chains. Today, the United States remains Vietnam's largest export market and one of its leading sources of foreign investment—evidence of the depth of our partnership and shared commitment to quality, sustainable growth.

As Vietnam advances its green transition, AmCham reaffirms our commitment to be a trusted partner—supporting policy reforms, investing in clean technology, and sharing experience to ensure that growth is not only strong, but also sustainable, inclusive, and digitally enabled.

Vietnam's Reform Moment for a Sustainable Future

Vietnam's administrative restructuring and the adoption of a two-tier local government model mark a historic step toward building a more efficient, transparent, and sustainable governance system. For American companies, these reforms can reduce one of the most persistent challenges—bureaucratic complexity—digital transformation not only transforms businesses, it has the potential to transform the regulatory environment; reducing time and cost for enterprises and the government, saving paper, transport costs for people and documents.

Key policy resolutions—such as Resolution No. 57 on promoting science, technology, and innovation; Resolution No. 59 on proactive international integration; Resolution No. 68 on

private sector development; and Resolution No. 66 on reforming law-making and law enforcement—provide a powerful framework for a future-ready, digitization will play a critical role in coordinated implementation of these regulatory initiatives.

Effective implementation remains essential. We encourage the government to issue clear guidance and measurable roadmaps to ensure that reforms reach all levels—national, provincial, and local. This will allow businesses to contribute more effectively to Vietnam’s sustainable development goals. AmCham also emphasizes the importance of transparency, accountability, and anti-corruption measures, which will strengthen investor confidence and reinforce Vietnam’s reputation as a reliable partner in the global green transition.

Sustainable Trade and Market Access

Vietnam’s integration into global trade has brought prosperity and opportunity. The next stage is ensuring that trade growth is also environmentally sustainable. The U.S. and Vietnam share an opportunity to expand bilateral trade and investment in ways that promote low-carbon production, green logistics, and digital trade.

AmCham applauds Vietnam’s ongoing engagement with the U.S. to remove barriers and align standards that can boost sustainable trade. Removing non-tariff barriers, streamlining customs, and improving transparency will not only enhance competitiveness will also succeed only through increased digitalization.

Expanding access for U.S. goods and services, from clean energy technologies to agricultural innovations, will strengthen both economies and accelerate Vietnam’s green transformation. In this way, trade becomes not only a driver of growth but also a channel for sharing technology, expertise, and sustainable practices.

Digital Transformation for a Low-Carbon Economy

Digital innovation is a cornerstone of a green economy. Smart manufacturing, cloud computing, artificial intelligence, and e-commerce all offer tools for improving resource efficiency and reducing emissions. AmCham commends Vietnam’s efforts to promote science, technology, and innovation through Resolution No. 57 and other initiatives that lay the groundwork for a sustainable digital ecosystem.

To fully realize this potential, digital regulations, such as those governing e-commerce, cybersecurity, and data flows, should be harmonized and transparent. Data localization or overlapping licensing rules may slow the adoption of technologies that support green growth. By adopting globally aligned, innovation-friendly frameworks, Vietnam can attract more investment in digital solutions that improve energy efficiency, optimize logistics, and empower SMEs to participate in green supply chains.

AmCham also supports reforms to promote Vietnam’s creative and digital industries, from online content to advertising, through simple, transparent regulations that encourage innovation while maintaining compliance with international norms. This will foster a digital economy that is not only dynamic but also environmentally conscious and inclusive.

Green Healthcare and Life Sciences

A sustainable future depends on a healthy population. Vietnam's progress in healthcare reform, including the 2024 Pharmaceutical Law, has improved patient access and regulatory transparency. Building on these achievements, AmCham encourages policies that promote green healthcare—such as sustainable hospital infrastructure, waste reduction, and environmentally friendly procurement practices.

At the same time, advancing preventive care, expanding health insurance coverage, and updating the National Reimbursement Drug List will ensure equitable access to modern treatment while reducing long-term social and economic costs. Digital health technologies, telemedicine, and data-driven care can play a key role in increasing efficiency and reducing the sector's environmental footprint.

Strong intellectual property protection, transparent procurement, and predictable regulatory processes remain vital for attracting investment in green health innovation and life sciences. AmCham members stand ready to support Vietnam in developing an accessible, innovative, and sustainable healthcare system.

Tax and Fiscal Policy for Sustainable Growth

Sound fiscal policy is essential to finance Vietnam's green transition. AmCham commends the government's efforts to maintain macroeconomic stability and provide targeted support to businesses. Moving forward, tax and fiscal reforms can further promote sustainability by encouraging green investment, innovation, and digitalization.

The modernization of corporate and personal income tax laws, combined with predictable enforcement, will foster a stable environment for long-term investment. AmCham recommends exploring incentives for renewable energy, energy efficiency, carbon capture, and green finance. Aligning tax policy with global sustainability frameworks—such as OECD standards—will enhance Vietnam's international competitiveness while supporting its environmental goals.

We also hope the U.S. and Vietnam can conclude a bilateral Tax Treaty soon, ensuring equitable treatment and facilitating greater flows of sustainable investment and technology transfer.

Clean Energy and Sustaining the Vision for Green Growth

AmCham appreciates the strong cooperation and constructive consultations our members have with both national and provincial authorities about Vietnam's energy development. We appreciate the significant progress Vietnam has made in solidifying the legal framework for energy investments and low carbon development. Sufficient energy – including renewable energy – is key to the development of the economy overall.

Power supply and demand dynamics are complex, and a collaborative approach between the public and private sectors is essential to develop affordable, reliable, and sustainable electricity. As we look towards the future, advanced innovation and technology - particularly data centers, artificial intelligence, and digital and cloud services - will require abundant, reliable, and low-carbon electricity to thrive. Modern requirements of these industries, which include liquid-cooled processors, ever-expanding cloud storage, and stringent resiliency and sustainability standards, place additional strain on Vietnam's power grid, raising critical implications for future energy security. Vietnam must act decisively to avoid these constraints.

American companies bring substantial expertise in financing and in developing supply-side solutions for innovative energy investments. Many are already engaged in close cooperation with EVN and its subsidiaries to help meet Vietnam's needs. Equally important is continued dialogue to strengthen Vietnam's energy strategy and regulatory frameworks. US company experience shows how high-consumption industries in the United States are increasingly securing their own power generation sources in partnership with government, private companies, and utilities using direct power purchase agreements. Vietnam can draw valuable lessons from these models and bring on line a more effective use of the direct power purchase agreements decree.

Vietnam's Eighth National Power Development Plan (PDP8) foresees nuclear power as an important element of Vietnam's long-term energy mix - alongside natural gas, renewable energy, biofuels, and battery storage. Each of these will play a role in meeting surging electricity needs and we see great opportunities for American and Vietnamese companies and investors to partner together on helping Vietnam meet its energy security goals. We also express our appreciation to the Politburo on issuing Resolution 70 last month on Ensuring National Energy Security by 2030, with a vision to 2045. We urge an expedited implementation of what can be done in the short run.

Environmental Protection and Inclusive Development

Vietnam has taken meaningful steps in harmonizing regulations on reducing greenhouse gas emissions, promoting a circular economy, clarifying a green taxonomy, and addressing other aspects of environmental protection under the law. A forward-looking strategy that integrates climate adaptation into specific sectors such as infrastructure, agriculture, and urban development will be vital to the next phase of green growth and resilience. AmCham members are committed to supporting Vietnam with expertise, technology, and investment in both climate change mitigation and adaptation efforts.

Additionally administrative challenges persist. Environmental permitting lacks clear timelines and consistent guidelines, leading to uncertainty and delays. Aligning project requirements with international benchmarking and reporting standards and frameworks would help support transparency and confidence with trading and investment partners and strengthen Vietnam's integration into global supply chains.

Support for small and medium enterprises (SMEs) is also essential. These firms form the backbone of supply chains and supporting industries, yet they often face disproportionate regulatory burdens and lack resources to integrate into a green and digital economy. By creating policies that improve access to finance, reduce compliance costs, and encourage technology adoption, Vietnam can enhance SME competitiveness and strengthen its overall investment ecosystem.

Sustainable Consumer Goods and Food Safety

Vietnam's consumer goods sector reflects both market potential and the opportunity to lead in sustainable production and consumption. Simplifying labeling and import procedures, reducing unnecessary packaging, and encouraging circular economy principles can lower costs and reduce environmental impact.

As Vietnam finalizes its new Food Safety Law and implementing decrees, AmCham encourages science-based, globally harmonized regulations that protect consumers while

promoting efficient, low-waste supply chains. International alignment will improve food safety, strengthen exports, and enhance trust in Vietnamese products. By encouraging sustainable sourcing, responsible advertising, and innovation in green packaging, Vietnam can build a resilient consumer market that meets global sustainability expectations.

Green Finance and Financial Sector Development

Financing is the lifeblood of the green transition. AmCham commends the passage of Resolution No. 222/2025/QH15 and the establishment of International Financial Centers (IFCs) in Ho Chi Minh City and Da Nang. These reforms position Vietnam to become a regional leader in green finance and innovation.

To realize this vision, regulatory autonomy for IFC authorities, transparent foreign exchange rules, and international arbitration mechanisms will be key. Vietnam's upgrade to "Emerging Market" status will unlock access to global capital—especially ESG-linked funds—and accelerate investment in renewable energy, digital infrastructure, and sustainable urban development.

We encourage Vietnam to further integrate sustainability reporting, green bonds, and climate risk disclosure frameworks consistent with international best practices, enhancing both transparency and investor confidence.

Human Capital and Infrastructure

The twin transitions—green and digital—depend on people and infrastructure. Vietnam's young and dynamic workforce is its greatest asset. Continued investment in education, reskilling, and STEM training will ensure that workers can thrive in industries of the future, from clean energy to AI-driven manufacturing.

We commend Decree No. 219/2025/ND-CP, which streamlines work permit procedures, and encourage ongoing efforts to make Vietnam a welcoming destination for international expertise.

Infrastructure modernization—ports, airports, logistics corridors, and smart cities—must also integrate sustainability from the start. Prioritizing green transport systems, renewable energy transmission, and climate-resilient design through transparent public-private partnerships (PPPs) will enhance Vietnam's competitiveness and reduce emissions.

Conclusion

Vietnam's economic transformation has been extraordinary. The next chapter—green, digital, and inclusive—will define its legacy. With strong leadership, sound reform, and effective implementation, Vietnam can become a model for sustainable growth and innovation.

AmCham and its members are proud to be partners in this journey. We will continue to invest, share expertise, and provide constructive recommendations that align with Vietnam's national vision for a prosperous, low-carbon, and technology-driven future.

Together, through reform, innovation, and partnership, we can build a more sustainable and resilient Vietnam—one that delivers shared prosperity for future generations.

Thank you very much.



SPEECH OF VIETNAM CHAMBER OF COMMERCE AND INDUSTRY

DRIVING REFORM AND INNOVATION FOR A GREEN, DYNAMIC, AND FUTURE-READY VIETNAM

**Your Excellency the Prime Minister,
Distinguished Chairpersons, Ladies and Gentlemen,**

The world is entering a period of profound transformation. Geopolitical shifts, rising trade protectionism, the climate crisis, and the digital revolution are collectively reshaping the global economic landscape. Against this backdrop, sustainability, green transition, and adaptability have become core criteria in investment, consumption, and international cooperation decisions.

Vietnam is emerging as a “bright star” in Asia—not only thanks to its stable growth and openness, but also through strong efforts in institutional reform, digital transformation, and green development commitments. The country is increasingly viewed as a potential hub in the new global value chain, where international businesses come not just to produce, but to expand markets, connect supply chains, and pursue sustainable growth.

However, opportunities only translate into advantages when backed by concrete actions. Institutional bottlenecks, policy implementation gaps, green competitiveness, and limited high-value investment attraction remain challenges that require stronger and more decisive reforms.

From the business community’s perspective, we observe two major emerging trends:

First, the need for a bold shift in mindset and approach to FDI attraction

Vietnam’s investment climate is recovering strongly after the pandemic. Foreign investors are showing growing confidence in the country’s long-term potential. Yet, the new generation of FDI no longer prioritizes low costs alone. They seek economies with transparency, strong local supply chain linkages, and clear sustainability commitments.

The transition from export-oriented production to serving domestic markets, and from volume-based to value-based manufacturing, requires Vietnam to upgrade its institutional infrastructure, workforce capacity, and supporting policies to enable local enterprises to participate more deeply in global value chains.

Second, the green transition has begun, but stronger policy and implementation breakthroughs are needed

The latest Provincial Green Index (PGI) survey by VCCI shows encouraging progress by localities in improving the quality of the green business environment, encouraging corporate green practices, and enhancing environmental governance. However, administrative burdens, informal costs, and inconsistency in law enforcement still hinder the transition process.

While the proportion of businesses investing in green operations is increasing, access to resources—particularly green finance and technical advisory—remains limited, especially for small and medium-sized enterprises (SMEs).

To realize the vision of building a **green, dynamic, and future-ready Vietnam**, VCCI proposes three key solution groups:

1. Institutional reform to enhance governance quality and policy implementation

First, continue administrative reform in critical areas such as investment, land, environment, and construction. Comprehensive digitalization of procedures, transparent process tracking, and integrated one-stop mechanisms will help reduce compliance costs, improve transparency, and enhance service efficiency.

At the same time, inspection and supervision activities should be reformed based on risk management principles—avoiding overlaps among authorities and reducing unnecessary interventions. Publishing inspection criteria, procedures, and results, along with post-audit independent evaluations, will strengthen trust and fairness in law enforcement.

A unified national enterprise data platform, including compliance history, should also be developed to facilitate coordination among ministries, sectors, and provinces, while enabling businesses to access policies more easily.

2. Promoting green investment and enterprise development

A robust green finance ecosystem is essential to drive the green transition. The government should develop carbon credit and green bond markets, while establishing credit guarantee mechanisms for SMEs seeking green loans. Commercial banks should be encouraged to design green financial products and offer preferential interest rates.

A **national green investment taxonomy** should be issued to serve as a basis for licensing, tax and land incentives, and access to funding. Projects utilizing clean technologies, renewable energy, and circular production models should receive prioritized support.

For SMEs—the backbone of Vietnam’s economy—technical assistance, advisory programs for green transition, ESG training, and environmental certification support are crucial. Pilot **“green enterprise incubators”** could be launched in key provinces to create ecosystems supporting green entrepreneurship and innovation.

3. Enhancing the role, responsibility, and autonomy of local governments

To ensure the green transition takes root at the grassroots level, local administrations should integrate indicators such as the **Provincial Green Index (PGI)** into their governance frameworks and performance evaluations. Publishing annual green action plans with measurable targets will provide clear and transparent reform motivation.

Budget allocation mechanisms should also include incentive components. A **“flexible budget”** pilot could reward provinces achieving positive green transition outcomes, allowing them to reinvest in environmental improvement and green business support initiatives.

Finally, to ensure policies translate effectively into action, each province should establish a **Green Transition Taskforce** comprising representatives from businesses, industry associations, experts, and local authorities. This will foster stronger public–private partnerships and enhance policy coherence and consensus.

A **green, dynamic, and future-ready Vietnam** requires bold reform thinking, decisive action, and genuine partnership between the State and the business community.

VCCI believes that the next phase of Vietnam’s development should be built upon three core pillars:

- Transparent, fair, and efficient institutions;
- Green enterprises, green finance, and green markets;
- Empowered, responsible, and proactive local governments.

We are confident that, under the consistent leadership of the Government, with strong support from the business community and development partners, Vietnam can emerge as a leading developing country in green transition and sustainable integration.

Thank you very much!



POSITION PAPER OF BRITISH CHAMBER OF COMMERCE VIETNAM

As the UK and Vietnam celebrate the elevation of their bilateral ties to a **Comprehensive Strategic Partnership**, BritCham reaffirms its strong and lasting commitment to Vietnam's sustainable development and prosperity.

British businesses have long been trusted partners in Vietnam's growth journey. We share the Government's ambition to achieve high-income status by 2045 and believe that the UK can be a key partner in realising that vision. This paper outlines areas where collaboration is already thriving, and where there is significant potential to deepen and expand it further.

International Financial Centre (IFC)

The UK business community welcomes Vietnam's progress in developing an International Financial Centre (IFC), which will strengthen competitiveness, attract global capital, and foster sustainable growth. Designed to promote green finance, fintech, capital markets, and global trade with risk management as a priority, the IFC has already drawn on UK expertise, including through the CityUK project.

To succeed, the IFC must be integrated with Vietnam's broader economy, supporting exports, the energy transition, and pensions, while drawing on London's global experience. BritCham and its members recommend:

- **London–Vietnam regulatory bridge:** Align IFC regulations with international best practice by adopting common law, using English as a working language, applying International Financial Reporting and Capital Standards, and ensuring strong governance.
- **Leverage existing financial institutions:** Involve both Vietnamese and established UK players with proven expertise and investment commitments.
- **Ensure inclusivity:** Extend IFC incentives to the wider financial ecosystem—brokers, advisors, auditors, training institutions, and professional bodies—to support national development goals.
- **Expand reforms economy-wide:** Apply IFC-related reforms, such as improvements to work permits and personal income tax, across the broader economy to stimulate investment, innovation, and growth.

Education and Skills

People and talent are the foundation of sustainable development. The UK has a long tradition of excellence in education, and our institutions already support Vietnam's students, professionals, and enterprises to meet both current and future needs.

We strongly support Vietnam's ambition to make English the second language, which will be vital for sectors such as tourism, aviation, finance, and FDI. Reforms should encourage

creativity, critical thinking, and teamwork in schools, while vocational pathways must be expanded with flexible credit systems and closer business alignment.

In higher education and professional qualifications, alignment with global standards and stronger partnerships with world-class universities and professional bodies will be essential. With the right reforms, Vietnam has the potential to become a regional education hub, and British institutions are eager to contribute.

Sustainability, ESG, and Energy Transition

Sustainability must be at the heart of Vietnam's growth. Economic prosperity, social well-being, and environmental health are interdependent, and progress requires all three to advance together. Vietnam's COP26 pledge to achieve net-zero by 2050, its National Green Growth Strategy, and the revised Power Development Plan 8 demonstrate bold leadership, with ambitious targets for renewable energy.

Meeting these goals will require unprecedented investment—over USD 136 billion for power and transmission from 2026–2030 alone, far exceeding public budgets. The private sector is therefore critical, already providing solutions through green and social loans, sustainability-linked bonds, and blended finance. The Just Energy Transition Partnership (JETP) offers further opportunity to unlock capital at scale.

However, challenges remain: the absence of a comprehensive green taxonomy, limited ESG reporting requirements, and insufficient preferential policies for green credit. To address these gaps, BritCham recommends:

- Promulgating clear regulations and a national taxonomy for green finance.
- Strengthening ESG disclosure in line with international standards, with third-party verification.
- Establishing credit guarantees or support funds to reduce risks in green lending.
- Expanding incentives for green credit and circular economy projects.

For BritCham members, sustainability is an immediate imperative. Our companies are scaling solutions in renewable energy, recycling, and low-carbon transition, while supporting inclusive livelihoods for women, SMEs, and communities. By combining government commitment with private sector innovation and finance, Vietnam can achieve a resilient, low-carbon economy and strengthen its position as a global leader in the energy transition.

Healthcare and Social Welfare

Vietnam's healthcare sector has achieved significant progress, supported by recent laws and progressive Resolutions 57, 66, and 68. With more than 93% universal health insurance coverage, Vietnam is a regional leader in access to care, while also addressing both communicable and non-communicable diseases.

At the same time, the system is being strengthened through local manufacturing, clinical research, and digital transformation. Smart healthcare initiatives and AI-powered screening are already improving early detection and patient outcomes. Importantly, there is growing recognition of the link between human health and environmental sustainability, which is driving innovative projects that integrate climate and health.

Looking forward, regulatory streamlining, implementation of the new Pharma Law, expanded reimbursement mechanisms, and continued support for innovation will be essential to ensure equitable access to advanced therapies. BritCham and its members remain committed partners in building a healthcare system that is resilient, equitable, and sustainable.

Digital Transformation and Innovation

Vietnam has made remarkable progress in building a digital economy. British expertise in AI, fintech, and cybersecurity can help accelerate this momentum, as reflected in recent collaborations such as the MoU with Ho Chi Minh City's Digital Transformation Centre. For Vietnam's digital economy to thrive, regulations must be clear, predictable, and supportive of innovation. At the same time, digital skills training will be crucial to prepare Vietnam's workforce for the opportunities of the Fourth Industrial Revolution.

Trade and Investment

UK–Vietnam economic ties continue to grow, with total trade in goods and services reaching £9 billion in the four quarters to the end of Q1 2025—a 30.8% increase from the previous year. This reflects the strong foundations provided by the UK–Vietnam Free Trade Agreement (UKVFTA) and the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

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However, British exporters continue to face an **increasing range of non-tariff trade barriers (NTBs)** that affect the ease and cost of doing business. These include:

- **Technical Barriers to Trade (TBTs):** All ICT and telecom equipment must undergo local testing and type approval under **Circular 11/2020/TT-BTTTT**, even when compliant with CE or UKCA standards. Mutual recognition of conformity assessments—standard practice in the UK and EU—would reduce duplication and costs.
- **Sanitary and Phytosanitary (SPS) Measures:** Despite some recent procedural easing, **UK meat, dairy, and processed food exporters** face lengthy establishment approvals, repeated sampling, and mandatory domestic laboratory testing even when equivalent UK/EU certifications exist.
- **Customs and Administrative Barriers:** Inconsistent interpretation of **rules of origin** under the UKVFTA and unannounced reference-price updates create uncertainty for traders.
- **Licensing and Product Registration Delays:** Approval processes for pharmaceuticals and medical devices remain lengthy and manual, with limited digitalisation and mutual recognition.

While Vietnam has made progress with its **National Single Window** and streamlined customs procedures, the lack of mutual recognition and continued reliance on physical documentation still increase compliance costs for UK exporters.

BritCham recommends that the Government of Vietnam consider **enhancing transparency, harmonising standards with international practice, and expanding digital certification** to facilitate trade. We also believe that the **uneven playing field created by NTBs merits greater attention** and dialogue within the broader trade policy agenda.

To further attract high-quality investment, BritCham encourages practical reforms: phasing out the Economic Needs Test, streamlining procedures through the Apostille Convention, and improving overall ease of doing business. More broadly, we support administrative and regulatory reforms that facilitate investment and smooth business operations.

These include simplifying trading license procedures, ensuring consistency between central and local regulations, expanding visa exemptions, offering longer-term visas, and leveraging international treaties to reduce compliance burdens. Together, these steps will strengthen Vietnam's position as a premier investment destination.

Conclusion

Across finance, education, sustainability, healthcare, digital innovation, and trade, British businesses are committed to being long-term partners in Vietnam's journey. We emphasise the optimism and enthusiasm of UK companies already active in Vietnam, as well as those seeking to enter this dynamic market.

Together, the UK and Vietnam can build a partnership that is modern, resilient, and fit for the 21st century—a partnership that delivers prosperity for both nations and opportunity for our people, supported by an environment and policy framework that enables foreign and private sector investment to thrive.



SPEECH OF EUROPEAN CHAMBER OF COMMERCE IN VIETNAM

Honorable Prime Minister, Respected Ministers, Distinguished Guests,

Thank you for convening this dialogue with the foreign business community today to reflect, exchange, and strengthen our shared journey toward transformation, resilience, and sustainable growth.

This year marks a remarkable moment for Vietnam – a nation not just growing but transforming. From comprehensive political restructuring with the ministries overhaul and the provincial merges, to administrative reform with a key focus on digital transformation to green commitments, Vietnam is demonstrating the momentum and courage needed to redefine what it means to be a competitive and sustainable investment destination in the 21st century.

It is also a year of milestones. We celebrate **35 years of EU–Vietnam diplomatic relations**, and **5 years since the implementation of the EU-Vietnam Free Trade Agreement (EVFTA)** – a landmark agreement that has deepened trust, expanded trade, and connected our two regions in impressive ways. These achievements remind us that Vietnam’s story is one of evolution: from a country once known for its agricultural exports – your daily rice and morning coffee – to one now shaping the region’s future in **manufacturing, technology, and innovation**.

Yet, as the global landscape shifts, the world’s traditional centres of gravity are also changing. The European Union itself is in a phase of self-reflection – strengthening its competitiveness, adapting to new trade dynamics, and seeking resilient, trusted partners. In this context, **Vietnam stands out as our partner of choice for long-term, value-driven collaboration.**

Today, the EU is Vietnam’s **third-largest trading partner**. Over the past five years of EVFTA implementation, our bilateral trade volume has already grown by **40%**, reaching roughly **300 billion USD**. This is a strong foundation – but the real question is: what’s next? How can we multiply that success in the next five years, especially when both Europe and Vietnam are rethinking their strategic relationships in an era of rapid change?

To achieve this, we must ensure that every new investor’s first impression of Vietnam is as seamless as possible. That is why, at EuroCham, we have introduced our **“Must-Win Battles”** – key priorities essential for Vietnam to further enhance its FDI attraction and business climate.

Visas, work permits and immigration procedures – these may sound administrative, but they are, in fact, the country’s first handshake with the world. If that first handshake is confident and warm, businesses will invest more – not just their capital, but their trust, talent, and technology.

Equally critical are **VAT refunds, customs clearance, land use rights, construction permits, and intellectual property protection frameworks**. These areas define how efficiently investors can operate, scale, and contribute to Vietnam's growth story. A company that waits too long for a VAT refund, or faces uncertainty in land rights, loses not only time but also the confidence to expand.

Vietnam's pace of change has been staggering. **The speed of legislative reform and the scale of restructuring are impressive. But speed, as we know, comes with challenges.** Some new laws and regulations are evolving so quickly that even the most diligent foreign businesses struggle to keep up. Many companies are still working to navigate the processes for registering their foreign experts, including obtaining licences for foreign lawyers.

In this period of adjustment, I encourage Vietnam to continue being bold — not only in drafting reforms but also in simplifying and ensuring consistent implementation across all sectors. At EuroCham, we are proud to play a constructive role in this process. Through our **20 sector committees**, representing industries from energy efficiency and quality healthcare to digitalisation and logistics, we provide detailed policy feedback, propose solutions, and share European best practices.

Our advocacy is not about criticism – it has always been about collaboration. Because we share the same goal: to help Vietnam rise stronger, faster, and greener.

Allow me to highlight a few more of the **Must-Win Battles** our Sector Committees are championing this year:

In **Green Growth and Construction**, we see tremendous opportunity for Vietnam to lead by design – and by heart. In recent weeks, we have once again witnessed how communities in Central Vietnam have faced rising floods, and how Hanoi, not long ago, endured the harsh effects of storms and unpredictable weather. These are stark reminders that the conversation about sustainability is not abstract – it is about protecting homes, livelihoods, and futures. Integrating **Blue-Green Infrastructure** into urban planning can turn cities into living systems – managing floods naturally, cooling urban heat, and improving quality of life, as demonstrated in cities like Copenhagen and Rotterdam. To make this vision practical, we advocate for a **national green building code, mandatory sustainability standards**, and tangible incentives such as **tax credits, preferential loans**, and grants to support early adopters. These steps would not only align Vietnam with international best practices but also attract investors seeking sustainable, future-ready projects.

In **Sustainable Finance**, we focus on turning ambition into action. For many businesses, the will to decarbonise is there – but the financial mechanisms are not yet accessible. That is why we encourage the development of innovative instruments such as **Green Letters of Credit** and **Green Trade Credit Insurance**, which make sustainability bankable. We also see great potential in partnerships between local and European institutions to pilot **ESG-linked lending models**, where companies that meet sustainability goals receive preferential financing. These tools empower businesses to transform environmental responsibility into a source of resilience and long-term competitiveness.

In **Mobility**, Vietnam's Net Zero by 2050 commitment is visionary – and deeply necessary. Anyone who has lived in Vietnam long enough can see the change in air quality in the

metropolitan areas. The Government's determination to promote cleaner transport is both commendable and urgent. But we also recognise that transitions of this scale are complex. From Europe's own experience, we know that progress happens step by step. That is why we recommend promoting **plug-in hybrid vehicles (PHEVs)** as a bridge toward full electrification – building early market volumes, strengthening investor confidence, and enabling a smoother rollout of **EV charging infrastructure**. At the same time, collaboration with European technology partners can help Vietnam pilot **smart mobility zones – integrating public transport, electric vehicles, and data-driven traffic management** to create cleaner, safer, and more liveable cities.

And in **Healthcare**, particularly **Pharmaceuticals** and **Medical Devices**, our advocacy continues to centre on people's well-being. We support the amended Pharmaceutical Law to include provisions that enable **faster access to innovative medicines**, ensuring that Vietnamese patients benefit from the latest medical advancements without delay. For medical devices, we propose procurement reform focused on **value and quality – a 40:30:30 formula**: 40% technical evaluation, 30% after-sales service, and 30% price. This model, inspired by successful European systems, ensures that procurement prioritises safety, reliability, and effectiveness – so that hospitals can deliver better outcomes, and patients can receive world-class care when they need it most.

The European business community in Vietnam may not be the largest foreign investor by volume. But we represent something deeper – **long-term, sustainable, quality investment**. We are here not to chase short-term gains, but to build meaningful partnerships that endure.

We also believe – deeply – that economic gains can and must be sustainable. Growth should not come at the expense of our planet's finite resources. Europe's philosophy of the “twin transition” – where green and digital transformation advance together – continues to guide our work here.

And that is why I would like to extend a heartfelt invitation to you, **Honourable Prime Minister and all Ministers present**, to join us at EuroCham's **Green Economy Forum**, taking place on **27 November in Hanoi**, under the theme “**Shaping Changes – Building Futures.**” This forum will bring together policymakers, business leaders, and innovators from Europe and Vietnam to explore how technology, knowledge, and partnership can drive sustainable growth – not just for Vietnam, but for the entire region.

As Vietnam continues its era of rising, I am confident that with collaboration, clarity, and courage, this nation will not only be the manufacturing hub of Asia – but the model of how green, digital, and inclusive growth can truly go hand in hand.

Thank you.

POSITION PAPER OF EUROPEAN CHAMBER OF COMMERCE IN VIETNAM

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
1.	Construction SC	1. Regulations and incentives for sustainable development in construction Current Challenges: - Lack of mandatory regulations and unified national standards for green buildings. - High initial costs of green buildings discourage developers. Recommendations: Introduce mandatory sustainability requirements in the Law on Environmental Protection and Law on Construction, focusing on energy efficiency, renewable energy, and water-saving technologies. Develop unified green building standards. Provide financial incentives such as tax credits, grants, or low-interest loans to reduce the upfront costs and encourage investment in green building projects.	- Ministry of Construction (MOC) - Ministry of Agriculture and Environment (MOAE)
		2. Initiatives for the organisation of databases, innovation, and recognition of foreign credentials Current challenges: - The national standards (TCVN) and regulations (QCVN) database for the construction sector is not regularly updated and lacks categorisation by construction grade or process phase. - The Law on Science and Technology includes a general principle encouraging innovation, but there are no detailed guidance or specific incentives for innovative activities. - The national e-procurement platform is primarily in Vietnamese, and while it has an English language function, not all content is accurately translated or available in English. - There is no comprehensive and functional database for verifying	- Ministry of Construction (MOC) - Ministry of Science and Technology (MOST)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		contractors' historical projects. Recommendations: Regularly update the construction standards database and introduce advanced search criteria for better navigation and categorisation. Provide guidance on specific incentives for innovation, such as tax incentives or financial support. Enhance the English language functionality of the national e-procurement platform and ensure that all content is accurately translated and accessible. Establish a centralised legal framework for a database that records and verifies contractors' historical projects.	
		3. Facilitating the adoption of the Eurocodes for national standards in Vietnam Current challenges: - Although MOC has initiated the adoption of Eurocodes as national standards, there is no clear timeline for their final approval. Recommendations: - Prioritise the official approval of national standards based on the Eurocodes.	Ministry of Construction (MOC)
		4. Regulations on the height for racking in storage areas and warehouses Current challenges: - Lack of clear regulations on maximum rack height and minimum ceiling spacing in storage areas. Recommendations: Issue unified guidance on rack height limits and minimum ceiling	Ministry of Construction (MOC)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		clearance. ii. Specify renovation thresholds requiring fire safety re-appraisal.	
2.	CropLife Vietnam	1. Draft Law amending and supplementing a number of provisions of Law on Crop Production, Law on Plant Protection and Quarantine, and Law on Biodiversity Current challenges: i. MAE is calling for comments on the Draft Law amending and supplementing a number of provisions of 16 Laws, including Law on Crop Production, Law on Plant Protection and Quarantine, and Law on Biodiversity. Recommendations: i. Develop clear legal frameworks for plant variety IP protection, gene-edited/genetically modified registration, and import–export regulations. ii. Evaluate pesticides based on a risk assessment process, clarify pesticide registration regulations, and streamline procedures to enhance accuracy, consistency, and innovation in pesticide regulation. iii. Clarify the definition of genetically modified organisms in a scientifically sound manner and in line with international norms.	Ministry of Agriculture and Environment (MOAE)
		2. Draft National Standards for DUS and VCU testing of maize varieties Current Challenges: i. The current National Standards for DUS and VCU testing of maize varieties require amendments to better align with practical conditions and Vietnam’s international commitments. Recommendations: i. Supplement and clarify the description of traits related to Lepidoptera pest resistance in the DUS testing framework.	Ministry of Agriculture and Environment (MOAE)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		ii. Incorporate molecular marker-based assessment methods in DUS evaluations. iii. Adjust the structure and classification criteria for resistant variety groups in VCU testing to better reflect the current diversity of varieties. iv. Review the zoning of trial areas and the number of testing sites in line with practical production conditions and the ongoing administrative reform efforts. v. Correct technical terms and descriptions to ensure accuracy, clarity, and consistency throughout the standards.	
3.	Cosmetics	1. More requirements for notification Current Challenges: Increased administrative documentation requirements in the Cosmetic Product Notification Dossier: i. The Draft Decree requires submission of additional documents in the Cosmetic Product Notification Dossier, including a Certificate of Good Manufacturing Practice (CGMP)/ISO 22716, a Certificate of Free Sale (CFS), product quality standards, and test reports. ii. Increased administrative burden and compliance costs for businesses, which is inconsistent with the Government's policy on simplifying procedures and with the spirit of the ASEAN Cosmetic Harmonization Agreement. iii. Regulatory overlaps: the requirement to submit product quality standards and test reports is redundant, as these documents are already included in the Product Information File (PIF) or must be published in accordance with the Law on Standards and Technical Regulations. iv. Dual requirements of CGMP/ISO 22716 and CFS for imported cosmetics create unnecessary pressure. While cosmetics from CPTPP/ASEAN countries are exempted from or allowed to substitute CFS, EU cosmetics are still required to submit it, which is inconsistent	• Drug Administration of Vietnam (DAV) under the Ministry of Health (MOH) • Legal Department of Ministry of Health • Ministry of Justice (MOJ) • Office of the Government (OOG)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		with commitments under the EVFTA. As a result, genuine products face delays of 4–6 months in entering the Vietnamese market compared to other countries in the region, creating opportunities for counterfeit and smuggled products. Recommendations: - Reduce pre-market administrative procedures: do not require submission of product quality standards and test reports for all cosmetics; instead, focus resources on post-market inspections (regular and ad hoc) and strictly enforce penalties for violations. - Remove the requirement for a Certificate of Free Sale (CFS) for cosmetics imported from the EU, and add an exemption clause: if the manufacturing facility already holds a CGMP or ISO 22716 certificate or an equivalent, submission of CFS should not be required, in order to ensure consistency with EVFTA commitments.	
		2. Post-notification procedures Current Challenges Requirement to submit the PIF within 3 months after notification: - The PIF contains detailed information, including sensitive business data, creating risks of leakage. - The volume of documentation is extremely large (hundreds to thousands of pages per product), placing a heavy burden on both enterprises and regulators. - With the decentralization of notification dossiers to provincial Departments of Health, adding the PIF would exceed their processing capacity and reduce the effectiveness of market inspections. - This requirement is inconsistent with the ASEAN Cosmetic Harmonization Agreement, which only obliges companies to maintain and present the PIF upon inspection, not to submit it in advance. Requirement to submit product samples, quality standards, and testing methods to testing laboratories:	• Drug Administration of Vietnam (DAV) under the Ministry of Health (MOH) • Legal Department (LD) of Ministry of Health (MOH) • Ministry of Justice (MOJ) • Office of the Government (OOG)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		• Creates overlaps with multiple existing requirements (already declared standards, already included in the notification dossier, and in the PIF). • Undermines objectivity, as samples are provided by enterprises rather than being randomly collected from the market by testing authorities. Recommendations: i. Do not introduce additional post-notification administrative procedures. ii. Focus resources on post-market surveillance: testing authorities should randomly collect samples from the market to ensure objectivity and effective oversight. 3. Labelling requirement Current Challenges: Electronic labeling: • Only permitted when the packaging does not have sufficient space, which is impractical in reality. • Companies would need to create multiple label designs for the same product (depending on packaging size), increasing design costs and reducing business efficiency. • Less favorable than labeling rules for other goods (under Circular 18/2022/TT-BKHCN, businesses may freely choose electronic or physical labeling). Additional mandatory labeling information: • Compared to current regulations and ASEAN requirements, the Draft Decree adds: name and address of the manufacturing facility; product quality standards; product notification number; and the period of safe use after opening. • Creates disadvantages for packaging design, making products in Vietnam different from those in other markets. • Requiring product quality standards on the label is impractical, meaningless to most consumers, and takes up unnecessary space.	• Drug Administration of Vietnam (DAV) under the Ministry of Health (MOH) • Legal Department of Ministry of Health • Ministry of Justice (MOJ) • Office of the Government (OOG)

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		- Requiring the product notification number on the label risks inconsistency with CPTPP commitments. No transitional provision: - Changes to labeling requirements have a major impact, creating enormous compliance costs. - Lack of a transitional period could cause disruption, as previously seen with Decree 111/2021/ND-CP. Recommendations: - Allow businesses to freely choose between electronic or physical labeling, without restriction based on packaging space. - Remove unnecessary labeling requirements, particularly the requirement to display product quality standards. - Add a transitional provision for labeling changes, following the model of Decree 111/2021/ND-CP, to reduce compliance burden and support enterprises.	
		4. Product Sample Retention Requirement I. Current Challenges Requirement to retain samples in Vietnam: - Importers can already retain samples at the manufacturing facility's warehouse overseas, making it unnecessary to invest in additional storage facilities in Vietnam. - The volume of samples sufficient for three full tests on all quality criteria is extremely large, creating enormous costs for warehousing, logistics, and personnel. 7-day timeframe to provide samples: - Unrealistic when transporting samples from Europe or the Americas to Vietnam. - In cases where the product notification number has expired but the product is still within its shelf life, the process of applying for an import order and waiting for approval also takes time, making it	- Drug Administration of Vietnam (DAV) under the Ministry of Health (MOH) - Legal Department of Ministry of Health - Ministry of Justice (MOJ) - Office of the Government (OOG)

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		impossible to meet the 7-day requirement. Overlapping domestic retention requirements: Both the declaring company and the domestic manufacturer are required to retain samples, creating duplication and doubling compliance costs. Recommendations • Do not require the declaring company to directly retain samples. • The declaring company should only be required to coordinate with the manufacturer to provide samples within 30 days upon request from the authorities.	
5.	Digital	1. Establishing a clear, business friendly regulatory framework for cybersecurity and data protection in Vietnam Current challenges: - Increased compliance burden by imposing strict requirements (e.g., DPIA, TIA, data localiuration) increasing costs for businesses. - The newly approved Personal Data Protection Law provisions may conflict with EU-GDPR and international best practices, potentially hindering data flows and foreign investment. Recommendations: - Provide clear guidelines, for data impact assesment - Ensure alignment with EU-GDPR, appoint a facilitator to resolve conflicts. 2. Laying groundwork for a thriving semiconductor industry in Vietnam Current Challenges: - In order to establish Vietnam as a globally competitive semiconductor manufacturing hub. Recommendations: Rapidly develop a skilled workforce of 50,000 semiconductor	• Ministry of Public Security (MPS) • Ministry of Science and Technology (MOST) • Office of the Government (OOG) • Ministry of Justice (MOJ) • Ministry of Finance (MOF) • Ministry of Science and Technology (MOST)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		professionals by 2030. ii. Require significant investment in modern infrastructure and research facilities. iii. Access and adopt cutting-edge semiconductor technologies. iv. Align with EU data protection, IP rights and sustainability standards. v. Establish partnership with leading European institutions for knowledge transfer, form a digital partnership with the EU similar to Singapore and South Korea.	
6.	Food, Agri and Aqua Business	1. Vietnam's agriculture needs a green upgrade Current Challenges: Vietnam's agricultural sector struggles to meet stringent international safety, environmental and quality standards, hindering exports and long-term sustainability. i. Livestock and Aquaculture: disease control, environmental management, inefficient value chains, overuse of crude protein in feed, lack of traceability and standardized practices. ii. Crop production: pesticide residues, counterfeit products, overreliance on chemical fertilizers, high GHG emissions from fertilizer imports and unsustainable composting. Recommendations: i. Close live animal markets, transition to controlled slaughterhouses, implement disease compartmentalization. ii. Promote low-protein animal diets, implement GHG footprint framework, incentivize on-farm composting. iii. Mandate single-use packaging, enforce stricter pesticide regulations, support alternative pest management. iv. Stimulate local feed and organic fertilizer production. v. Provide access to green loans for sustainable equipment.	• The Office of the Government (OOG) • Ministry of Agriculture and Environment (MOAE) • Ministry of Industry and Trade (MOIT) • Department of Livestock Production; the Directorate of Fisheries; the Department of Science, Technology, and Environment.

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		2. The implementation of a one health approach in animal production Current Challenges: Vietnam faces a serious threat from antimicrobial resistance (AMR) in livestock and aquaculture due to the overuse and misuse of antibiotics. - Reduce the effectiveness of antibiotics in treating animal and human diseases. - Lead to economic losses for farmers and the food industry. - Jeopardize Vietnam's reputation as a reliable food exporter. Recommendations: - Stricter regulations and enforcement on antibiotic use and promote natural alternatives. - Implement AMR surveillance systems. - Expand vaccination efforts for livestock and pets. - Collaborate internationally on vaccination campaigns and disease prevention. - Simplify vaccine registration and align with international standards.	- Ministry of Agriculture and Environment (MOAE) - Ministry of Health (MOH)
		3. Vietnam's agricultural sector faces regulatory challenges Current Challenges: Misaligned standards: discrepancies between Vietnam's and international norms, particularly for arsenic limits, restrict access to quality raw materials and increase production costs, limiting export potential. Food Fortification regulations: The draft Decree on food fortification could lead to regulatory inconsistencies, increased production costs, and potential trade disputes, particularly regarding iodine fortification in minimally processed foods. EU Green Regulations: Upcoming EU regulations like CBAM and EUDR pose significant challenges for Vietnam's agricultural exports.	- The Department of Livestock Production; the Directorate of Fisheries; the Department of Science, Technology, and Environment; the Ministry of Agriculture and Environment - Office of the Government (OOG) - Ministry of Health (MOH)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		Recommendations: - Align national regulations with international standards. - Limit fortification requirements to domestic products. - Provide technical training, engage with NGOs, and implement digital solutions for EU Green readiness.	Ministry of Industry and Trade (MOIT)
7.	Green Growth Sector Committee	1. Extended Producer Responsibility (collective input from NFG, Wine & Spirits, FAABS) Current Challenges: - EPR responsibilities should apply to all producers and importers, not based on sales revenue or import value. - Lack of clarity on managing financial contributions to the Vietnam Environmental Protection Fund. - Insufficient incentives for using recycled materials and promoting recycling. Recommendations: - Apply EPR obligations to all producers and importers for fairness and sustainability. - Assess recycling cost norms (Fs) and involve stakeholders before adjustments. - Issue clear regulations on managing financial contributions to the Vietnam Environmental Protection Fund. - Offer incentives for recycled materials and allow self-recycling efforts to count toward fund contributions to boost recycling investments.	- Ministry of Agriculture and Environment (MOAE) - EPR Office
		2. Decreasing greenhouse gas emissions and protecting the ozone layer Current challenges: - Lack of specific targets or regulations for businesses to plan and implement greenhouse gas emission reductions. - Ambiguity in the carbon credit market, with unclear distinctions	Ministry of Agriculture and Environment (MOAE)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		between participants in carbon credit exchanges and carbon offsetting. Recommendations: - Issue carbon allowances for industries to help businesses prepare and effectively implement emission reduction plans. - Provide clear guidance on how businesses can participate in the carbon trading market, including registration procedures, criteria, and required forms.	
		3. Water resources Current Challenges: - Vietnam's water resources are under severe strain due to pollution, overexploitation, and climate change. - Issues such as saltwater intrusion in the Mekong Delta, contamination from aquaculture and industrial activities, and insufficient access to clean water in rural areas highlight the crisis. Recommendations: - Enforce existing water-related laws by increasing inspections and penalizing non-compliance in industries and aquaculture. - Invest in clean water infrastructure, especially in underserved regions, using modern technologies like biofilters and recirculating systems. - Promote sustainable practices through educational campaigns targeting both rural communities and urban stakeholders.	Ministry of Agriculture and Environment (MOAE)
		4. Renewable Energy and Energy Efficiency: Current challenges: - PPC Price Uncertainty: Recent tariffs offered by EVN are unattractive, delaying projects and deterring investment in solar and wind energy. - Grid Challenges: The grid struggles with the intermittent nature of	- Ministry of Industry and Trade (MOIT) - Electricity Authority of Vietnam (EAV - MOIT) - Vietnam Electricity (EVN)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		renewable energy, leading to inefficiencies, stability issues, and long delays in connection approvals. iii. JETP: The private sector's involvement in the Just Energy Transition Partnership (JETP) needs strengthening. Recommendations: i. Revise PPAs to align with international standards, addressing concerns like curtailment risks, termination clauses, force majeure, and establishing international arbitration and stable currency indexation. ii. Facilitate consumer access to clean energy by streamlining DPPA implementation, reducing regulatory barriers for on-site generation, and ensuring transparent, risk-free tariff mechanisms. iii. Remove barriers for small-scale renewable energy generation, such as rooftop solar or small-scale wind/solar projects.	
		5. Sustainable Buildings: Current challenges: i. Enhancing existing regulations and introducing incentives are essential to fostering sustainable building practices in Vietnam. ii. Amending these laws requires extensive stakeholder engagement, which may face resistance from traditional developers concerned about increased compliance costs. iii. Additionally, there is the risk of fragmented implementation if local authorities lack the resources or expertise to enforce new regulations. Recommendations: i. Amend the Law on Environmental Protection, Law on Construction and Decree no.15/2021/ND-CP on sustainability criteria and performance standard.	- Ministry of Agriculture and Environment (MOAE) - Ministry of Construction (MOC)
		6. ESG Disclosure and Reporting	Ministry of Finance

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		Recommendations: - Extend ESG disclosure requirements to non-listed medium and large companies in export sectors. - Align with international ESG standards (GRI, ISSB, ESRS) and adapt from neighboring countries. - Integrate double materiality to support green financing access. - Develop industry-specific ESG disclosures and update them over time. - Launch educational programs to improve ESG data collection and reporting.	(MOF) - State Securities Commission of Vietnam (SSC) - Stock Exchanges (HNX and HOSE) - Ministry of Agriculture and Environment (MOAE) - Ministry of Home Affairs (MOHA) - Ministry of Industry and Trade (MOIT)
8.	Human Resources and Training	1. Work permit for foreigners We welcome and appreciate the Government's effort in listening to the business community and issuing Decree No. 219/2025/NĐ-CP on foreign workers in Vietnam. The new Decree introduces more relaxed and business-friendly provisions, reflecting long-standing recommendations from the private sector. What matters now is its effective implementation and consistency of application across provinces. EuroCham will continue to monitor the process closely and work jointly with the Government to address any issues that may arise during implementation.	Ministry of Home Affairs (MOHA)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		2. Improving labour outsourcing regulations in Vietnam Current challenges: i. Limited duration: the 12-month cap on labour outsourcing arrangements leads to frequent turnover, instability, and limited long-term employment opportunities. ii. Restrictive job list: the list of permitted jobs for outsourcing is limited to 20 specific positions, lacking clarity and failing to meet the needs of a changing labour market. iii. Limited contexts: labour outsourcing is restricted to specific circumstances, hindering its use for legitimate business needs. iv. Misclassified arrangements: strict regulations incentivize companies to misclassify outsourcing arrangements as service agreements, leaving workers unprotected. Recommendations: i. Extend arrangement duration: increase the maximum duration of labour outsourcing arrangements from 12 months to 36 months to promote stability and long-term employment. ii. Expand permitted job list: broaden the list of jobs eligible for outsourcing to reflect the evolving needs of the labour market and protect workers' rights.	• Ministry of Home Affairs (MOHA)
9.	Intellectual Property Rights	1. Intellectual Property Rights Enforcement Current challenges: i. Difficulty in defining “commercial scale,” “illegal profits,” and “intentional wrongdoing.” Value-based crime assessment omits ongoing counterfeit activities. (Criminal Prosecution) ii. Complex registration processes hinder enforcement; sensitive data requirements discourage applicants. (Copyright registration) iii. Conflicting agency opinions complicate enforcement, particularly in industrial design cases. (Expert opinions for IP enforcement). Recommendations:	• Ministry of Culture, Sports and Tourism (MOCST) • Ministry of Science and Technology (MOST) • Ministry of Industry and Trade (MOIT) • Supreme People's Court (SPC)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		i. Expand criteria beyond seized goods, provide clear guidelines for enforcement. (Criminal Prosecution) ii. Recognize alternative proof of ownership, protect sensitive data, and improve enforcement mechanisms. (Copyright registration) iii. Promote use of independent experts, establish inspection councils, and streamline processes for consistent enforcement. (Expert opinions for IP enforcement).	
		2. Intellectual Property Rights Prosecution Current challenges: i. Broad interpretations and naming restrictions delay copyright registration and hinder creativity. ii. Only physical signatures are accepted, adding time and costs. iii. Delays in trademark and patent processing hurt businesses and there is a backlog of complaints. iv. Mandatory filing in Vietnam or PCT whenever inventions are subject to security control requirements wastes resources for non-Vietnam-focused applicants. v. Lack of clear guidelines causes inconsistent enforcement of well-known trademark recognition. vi. E-certificates lack legal clarity, requiring manual processing. Recommendations: i. Change regulations to reduce delays and encourage innovation in copyrights. ii. Allow digital signatures for IP processes. iii. Speed up processing and address the trademark and patent backlog. iv. Allow concise descriptions or alternative filing procedures for inventions. v. Provide clear guidelines for recognizing well-known trademarks. vi. Restore e-filing, improve digital processes, and validate e-certificate.	• Ministry of Science and Technology (MOST) • Ministry of Culture, Sports and Tourism (MOCST)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
10.	European Standards Medicines	1. Accelerating amendments to drug registration laws in Vietnam Current Challenges: Reliance Pathway: While the amended Pharma Law allows for reliance pathways, the review and approval process remain lengthy and the conditions for application are too restrictive. CPP requirements: Current Certificate of Pharmaceutical Product (CPP) requirements are impractical for multinational companies with centralized production. Variation procedures: Approval timelines for variations are not consistently met, and regulations for manufacturing site changes are overly burdensome. First generic ambiguity: Lack of clarity on the definition of “first generic” creates uncertainty for companies seeking expedited procedures and incentives. Recommendations: Streamline Reliance pathway – shorten review time to a maximum of 3 months and expand eligibility criteria. Amend CPP requirements – require only one CPP from an SRA country (A Stringent Regulatory Authority is a national drug regulatory body that is recognized by the WHO. Sras are responsible for reviewing and approving drugs and vaccines by applying rigorous standards.) Improve variation procedures – ensure timely approvals, align with ASEAN guidelines, and simplify requirements for manufacturing site changes. Clarify first generic definition – explicitly define “first generic” based on either submission date or registration number issuance to ensure fairness and transparency. Incentivize first generics – offer clear incentives for the development	- Ministry of Health (MOH) - National Assembly (NA)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		and manufacture of first generics in Vietnam to promote local production and reduce reliance on imports. 2. Strengthening Vietnam's healthcare system, incentivizing local pharmaceutical production Current Challenges: i. Lack of support: limited governance and support for technology transfer and R&D hinder local pharmaceutical production ii. High costs and uncertainties: introducing new drugs locally involves high costs and lengthy processes, making investment unattractive without clear incentives iii. Market access: lack of separate tender group for tech-transferred medicines makes it difficult to compete with imported drugs and hinders accurate ROI calculations. Recommendations: i. Expedite registration: implement an easy and effective fast-track registration process for medicines produced through technology transfer ii. Ensure market access: introduce tender quotas or a separate tender group for tech-transferred medicines to guarantee sales volume and enable accurate ROI forecasting iii. Incentivize R&D: launch R&R incentives, including innovation subsidies (aligned with Oslo Manual definitions) and talent subsidies to attract investment and expertise	• Ministry of Health (MOH) • National Assembly (NA) • Ministry of Finance (MOF) • Ministry of Industry and Trade (MOIT)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		3. Expanding the scope of operation for foreign-invested enterprises (FIEs) in Vietnam's pharmaceutical sector Currently challenges: - Decree 163 restricts FIEs from engaging in drug distribution activities, except for drugs they manufacture locally. - The amended Pharma Law proposes expanding FIEs' rights related to distribution in specific cases (tolling, tech transfer, aid programs, clinical trials). Recommendations: To further improve the business environment for FIEs in the pharmaceutical industry to encourage technology transfer, contract manufacturing and overall development of the healthcare sector, Vietnam should grant further distribution rights to FIEs, including: - Communicating with distributors about wholesale pricing and drug information. - Directly importing raw materials and delivering them to local partners for contract manufacturing, and technology transfer;	- Ministry of Health (MOH) - National Assembly (NA) - Ministry of Finance (MOF)
11.	Legal (Real Estate)	1. Protecting the interests of investors in case of insolvency or bankruptcy of real estate developers Current challenges: Insolvency or bankruptcy of real estate developers: Buyers often pay most of the price before project completion, but delays or bankruptcy of developers may result in buyers losing both their money and the property, as they are last in line for asset redistribution. Confusion in regulations on real estate project transfer: share transfer and project transfer are treated interchangeably, leading to unnecessary double procedures due to differences in transaction types. Recommendations:	- Ministry of Construction (MOC) - Ministry of Agriculture and Environment (MOAE) - Ministry of Finance (MOF) - State Bank of Vietnam (SBV)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		i. Require annual audits, set financial standards (liquidity, debt ratios, and equity), and regularly review compliance, especially for developers with multiple projects ii. Provide clear guidance to prevent legal misinterpretation and ensure transparent, publicly disclosed approval processes.	
		2. Land use right certificates for foreigners Current Challenges: - The issuance of Land Use Rights Certificates for foreign buyers has been significantly delayed due to the absence or untimely publication of the Foreign-Owned Project Planning List, which serves as the legal basis for determining eligible housing projects. - These delays create legal uncertainty and leave foreign buyers vulnerable in the case of disputes, while also discouraging further investment in Vietnam's real estate market. Recommendations: - Issue clear guidelines to standardize document signing and stamping, eliminating unnecessary requirements like initialing every page or using company seals. - Promote the acceptance of electronic signatures for document submissions. - Establish clear criteria for when M&A approval is needed, ensuring consistency across local authorities. - Create an online platform for investors to easily get answers about M&A approval requirements.	- Ministry of Construction (MOC) - Ministry of Public Security (MPS) - Departments of Construction (DOCs) - Ministry of National Defence (MOND) - Ministry of Finance (MOF) - Provincial People's Committees (PPCs)
	Legal (M&A)	1. Labour regulations in M&A transactions Current Challenges: Terminological opacity: The term "affecting multiple employees' employment" is unclear, making it difficult to define when labor laws apply in M&A transactions. Consultation with Employee Representative Organisations: While	Ministry of Home Affairs (MOHA)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		consultation with employee organizations is required, the lack of a clear mechanism for resolving disagreements between employers and these organizations can delay transactions. iii. No Automatic Transfer of Labour Contracts in Asset Deals: In asset sales, labor contracts are not automatically transferred, requiring new agreements to be negotiated with affected employees. Recommendations: i. Clarify the thresholds for labor impact in M&A transactions by defining “affecting multiple employees’ employment.” ii. Set clear criteria (e.g., a percentage or number of employees) for when a labor usage plan is required in M&A deals. iii. Introduce a dispute resolution mechanism to handle disagreements between employers and employee representative organizations regarding labor usage plans. iv. Allow the transfer of labor contracts in asset deals, with compensation measures to support affected employees.	
		2. M&A Approval Current Challenges: i. Ambiguity in M&A Approval Requirements: Local authorities sometimes require M&A approval even when not legally necessary, causing inconsistent enforcement. ii. Lack of uniformity in document signing and stamping requirements: Varying local practices around signing and stamping create administrative burdens, especially as digital solutions become more common. Recommendations: i. Standardize signing and stamping requirements, eliminating unnecessary tasks like initialing pages or using company seals. ii. Encourage the use of electronic signatures for document submissions. iii. Clarify when M&A approval is needed to ensure consistency.	• Ministry of Finance (MOF)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		iv. Create an online platform for investors to easily consult authorities on M&A approval.	
	Legal (PPP)	1. Develop a pipeline of viable and visible projects Current Challenges: i. Clarifying prioritised PPP projects: The absence of a centralised, comprehensive database for prioritised PPP projects creates confusion and risks conflicts with industry master plans. Clear, sector-oriented guidance on national-level projects, government support, and incentives is essential to attract cross-border funding and ensure project viability. ii. Unsolicited proposals: While allowed under PPP laws, unsolicited proposals face untested processes, insufficient bidding incentives, and limited access to State capital (only via ODA or preferential loans). These barriers deter private investors, making it crucial to refine the rules and enhance incentives for broader participation. Having tangible projects identified, prepared, and announced to the market (whether greenfield or brownfield) continues to be of the highest priority to kick-start Vietnam's PPP programme. It is critical that the existing regulations be tested by implementing PPP projects which, in turn, should increase the confidence of investors. Recommendations: i. Publish, through a centralised process, a list of key national and regional projects, particularly in sectors which have a good track record in other jurisdictions with well-trodden models and which are highly sought after by foreign investors such as transportation and energy with the aim of prioritising commercially viable projects as those slated to be implemented as PPPs. ii. Clarify the bidding process for unsolicited projects and the process for conversion of State-funded projects into PPP format. iii. Submit selected projects to a competitive, transparent tender process	• The Office of Public-Private Partnership – Public Procurement Agency • Ministry of Finance (MOF) • Ministry of Construction (MOC) • The authorised State bodies • Other related authorities.

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		as contemplated under the Law on PPP. iv. Allow projects to be developed by leading global sponsors based on unsolicited proposals/direct appointment as pilot projects in specified high-priority sectors in order to develop a baseline standard of bankable project documentation and risk allocation which could secure international project financings from foreign lenders. v. Put potential projects through a rigorous commerciality assessment (and appoint reputable international technical and financial consultants to advise and assist relevant Government authorities on such process) involving homogenous international standard screening procedures. vi. Provide incentives and attractive measures for sectors struggling to attract PPP investment.	
		2. Improve capacity and coordination amongst Government Agencies Current Challenges: i. Inconsistent approach among Government authorities: The lack of institutional and practical capacity and the lack of a unified and standardised risk approach among public authorities continue to be frequently cited by potential international project investors and sponsors as major difficulties for carrying out projects, including PPP projects, in Vietnam. There are also only very limited precedents of completed privately invested projects that have secured international project financings. The Government authorities, therefore, often do not have sufficient legal and practical guidance to smoothly manage the implementation of projects, particularly outside the conventional power generation sector. Recommendations: i. Develop (with the help of reputable international consultants with experience in other markets) sets of approved bidding documents, including project contracts containing internationally acceptable risk	• The Office of Public-Private Partnership – Public Procurement Agency • Ministry of Finance (MOF) • The authorised State bodies • Other related authorities.

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		allocation models, as a basis for bidding to reduce the risk of prolonged negotiation delays. ii. Bring in tangible projects in line with international best practices to provide authorised State bodies with hands-on experience. iii. Organise capacity-building sessions on the Law on PPP to ensure its cohesive implementation. iv. Require a joint implementing process involving all key Ministries and authorities for a unified practice in the identification, assessment and development of projects, potentially leveraging those individuals who have gained experience of bankability issues in the context of successful power projects.	
		Rationalise detailed implementing regulations Current challenges: The Law on PPP introduces important improvements but retains gaps and inconsistencies that hinder international financing of infrastructure projects in Vietnam. A more comprehensive framework is needed to harmonise PPP regulations with other laws, address financing concerns, and strengthen investor confidence. i. Security over Land and Assets: Restrictions on mortgaging land-use rights and project assets limit foreign lenders' security, undermining bankability and debt funding. ii. Foreign Currency Guarantee: Government guarantee of foreign exchange (up to 30% VND revenue) remains untested, raising investor concerns over currency risks. iii. Viability Gap Funding (VGF): Absence of detailed guidance on VGF and unclear risk-sharing mechanisms impede project implementation and reduce investor confidence. iv. Governing Law: PPP contracts must follow Vietnamese law, with vague reference to "fundamental principles," restricting the use of foreign governing law and creating legal uncertainty.	• The Office of Public-Private Partnership – Public Procurement Agency • Ministry of Finance (MOF) • The authorised State bodies • Other related authorities

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		v. Timing to Financial Close: Mandatory deadlines of 12–18 months are overly ambitious for complex projects, deterring international investors. vi. Consents for Capital Assignment: State consent required for equity transfers before completion, with no fixed criteria, creates uncertainty and discourages investment. vii. Termination Rights: Narrow grounds for termination and restrictive termination payment provisions, combined with removal of lender step-in rights, weaken financing security. viii. Lender's Step-in Rights: Removal of automatic lender step-in rights requires State approval to replace investors in default, reducing lender protection and project security. ix. Amendments: Amendments permitted only in limited circumstances (e.g. force majeure, fundamental changes), restricting flexibility in long-term contracts. x. Dispute Resolution: Requirement to resolve disputes in Vietnamese courts or domestic arbitration, with limited recognition of foreign arbitration, deters international investors. Recommendations: i. Provide clear guidance on the Law on PPP and bring existing regulations to an international standard to increase the attractiveness of Vietnamese PPP projects to foreign investors. ii. Create a clear and cohesive framework for PPPs to benefit from VGF, minimum revenue guarantees, and risk-sharing measures. iii. Continue to streamline the policies and guidelines related to PPPs, focusing on key elements such as the availability and disbursement of debt and equity funding and credit support measures. iv. Test these regulations with actual projects.	
	Legal (Judicial & Arbitral Resource)	1. Courts and the competition authority Current challenges:	The Ministry of Justice (MOJ)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		The 2024 Law on the Organisation of People's Courts introduced significant reforms, including specialised first-instance courts, judicial interpretation powers, and mandatory publication of judgments. However, limitations remain in terms of scope, predictability of competition authority decisions, and restrictions on foreign law firms in court proceedings. Specialised Courts: Establishment of dedicated first-instance courts for administrative, intellectual property, and bankruptcy cases enhances professionalism and judicial credibility. However, scope remains limited and should be expanded to commercial and arbitration matters. Judicial Interpretation: Courts are now empowered to interpret laws in specific cases, while abstract legal interpretation remains with the Standing Committee of the National Assembly. Precedents only become binding once published by the Chief Justice of the Supreme People's Court. Publication of Judgments: The requirement to publish court decisions online is a major step toward transparency, consistency in law application, and development of case precedents. Competition Authority (VCC): Although the VCC publishes decisions on economic concentration, guidance on defining relevant markets and market shares remains insufficient. Decisions are often released alongside general news, reducing accessibility and predictability for businesses. Foreign Law Firms: Vietnamese law still prohibits Vietnamese lawyers working for foreign law firms from representing clients in court, leaving a major gap unresolved. Recommendations: Extend the list of matters that can be judged by specialized courts from the first instance, including in particular Commercial and Arbitration matters.	• Supreme People's Court • Supreme People's Procuracy • National Assembly's Committee on Law and Justice • Ministry of Industry and Trade (MOIT)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		ii. Continue to publish the judgments of courts at all levels. iii. Provide rational explaining decisions of the VCC in merger control and publish all decisions of the competition authorities in a separate, easily accessible section for better transparency and user experience. iv. Amend the Law on Lawyers to allow fully qualified Vietnamese lawyers working for foreign law firms to represent clients before Vietnamese courts.	
		2. Recognition and enforcement of foreign arbitral awards Current challenges: i. Foreign arbitral awards face the same hurdles as domestic ones in Vietnam, creating difficulties for international partners who expect a liberal approach consistent with global norms. ii. Many countries (e.g., Singapore, France, Switzerland) adopt nearly automatic recognition of foreign awards, refusing enforcement only on limited grounds under Article V of the New York Convention (NYC). However, Vietnamese courts sometimes take a restrictive stance. iii. For instance, in a case involving CIETAC, a Vietnamese court refused enforcement, citing a breach of “basic principles of Vietnamese law.” The court also re-examined the case under Vietnamese law instead of the applicable 1980 Vienna Convention. iv. While intended to protect local businesses, this approach deviates from international arbitration norms and undermines Vietnam's commitments under the NYC. Recommendations: i. Continue to publish updated data/figures on applications for recognition and enforcement of foreign arbitral awards. ii. Choose the term “public order” (“trật tự công cộng” in Vietnamese) instead of “basic principles of Vietnamese law”.	• Ministry of Justice (MOJ) • Supreme People’s Court • Supreme People’s Procuracy • National Assembly’s Economic and Financial Committee

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		iii. Recognise as precedents and enforce across all court levels judicial decisions on arbitration matters that align with the law and are consistent with the NYC. iv. Introduce the automatic referral to the relevant Superior People's Courts of all cases where an application has been rejected by the Courts of First Instance. v. Organise training courses, establish arbitration divisions within courts, etc. as mentioned above.	
12.	Medical Devices and Diagnostics	1. Value-based procurement for medical devices in Vietnam Current Challenges: i. The Law on Bidding introduces centralized procurement for medical devices, potentially prioritizing lowest price over value and limiting patients' access to advanced technologies. ii. However, at Article 3.7(d), Law No. 90/2025/QH15 (amending the Law on Bidding): grants financial autonomy to public hospitals (Groups 1 and 2) and state-owned enterprises when using non-state budget funds, allowing them to make independent procurement decisions. iii. This means the law already recognises the autonomy of financially independent hospitals. Any national-level centralised procurement list should therefore be carefully assessed to avoid unnecessary intervention and only applied when truly necessary. iv. Procurement of medical devices and IVDs is currently conducted transparently through open bidding, combined with strict price control mechanisms (price declaration, listing, negotiation) under supervision of relevant authorities. These mechanisms already ensure efficient use of state funds. Imposing additional centralized procurement risks creating overlap, administrative burden, and disruption to existing systems. Recommendations	• Ministry of Health (MOH) • Vietnam Infrastructure and Medical Devices Administration (VIMDA)/ MOH • Department of Planning and Finance/ MOH • Ministry of Finance

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		i. Reconsider applying national centralised procurement for medical devices and IVDs, especially for innovative and specialised devices. ii. Limit centralised procurement, if necessary, to widely used devices with single specifications across facilities. iii. Prioritise value-based procurement by considering lifecycle costs, technical performance, service quality, and patient outcomes rather than lowest price only. iv. Develop a clear legal framework for value-based procurement under the new Law on Medical Devices to institutionalize this approach.	
		2. Regularly updating Vietnam's reimbursement list for medical technical services Current challenges: i. Infrequent updates to the reimbursement list (not updated since 2018). ii. Delays in including new medical technical services hinder the adoption of modern techniques and limit patient access. Recommendations: i. Annual updates: update the list of permitted medical technical services annually to keep pace with advancements in healthcare ii. Expedite cost calculations: accelerate the process of calculating costs and include new services in the reimbursement list promptly iii. Prioritize early diagnostics and screening: allow reimbursement for early diagnostics and screening of high-incidence diseases to enable early intervention and improve patient outcomes iv. Develop sustainable financing approaches: explore and implement sustainable financing mechanisms to support increased access to healthcare innovation	• Ministry of Health (MOH) • Department of Medical Service Administration/MOH • Department of Planning and Finance/ MOH • Department of Health Insurance/ MOH • Vietnam Social Security (VSS)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		3. Establishing a legal framework for medical software in Vietnam Current Challenges: - The lack of a clear legal framework for the registration, procurement, and reimbursement of software used in medical diagnosis and treatment creates uncertainty for businesses and hinders the adoption of advanced technologies. Recommendations: Registration reliance and harmonization: implement a system for recognizing approvals and certifications from trusted regulatory authorities to streamline the registration process for medical software. Procurement and reimbursement framework: develop clear guidelines and mechanisms for the procurement and reimbursement of diagnostic and treatment software used in healthcare setting.	- Ministry of Health (MOH) - Vietnam Infrastructure and Medical Devices Administration (VIMDA)/ MOH - Department of Medical Service Administration/ MOH - Department of Planning and Finance/ MOH - Department of Health Insurance/ MOH - Vietnam Social Security (VSS)
12.	Mobility Sector Committee	A. Automotive 1. The Draft National Technical Regulation (TCVN) on Fuel Consumption Limits for Passenger Cars Issue Current Challenges: - The Draft TCVN sets a CAFC target of 4.83L/100 km by 2030. While EuroCham supports Vietnam's emission reduction goals, the proposed timeline risks major disruption. Based on manufacturers' calculations, 96% of ICE models and 14% of electrified vehicles would fail the 2030 requirement, forcing drastic cuts to ICE production (up to -76%) and extreme increases in EV production (+868%). - This would require massive investment, threaten employment, destabilize the market, and reduce fiscal revenues. Furthermore, the CAFC target is based on outdated projections that underestimated EV adoption (now ~33% of sales in 2024, projected 40% in 2025),	- Office of the Government (OOG) - Ministry of Construction (MOC) - Ministry of Industry and Trade (MOIT) - Ministry of Finance (MOF) - Ministry of Science and Technology (MOST)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		leading to misallocation of emission-reduction responsibilities. Recommendations: - Provide a minimum 24-month lead time before the regulation becomes mandatory. Update CAFC calculations based on actual EV penetration rates. - Adopt a phased reduction pathway: 6.0L/100 km by 2030 ($\approx 4\%$ annual reduction in 2027–2030), progressing to 4.83L/100 km by 2035 ($\approx 5\%$ annual reduction in 2031–2035). Prioritize charging infrastructure development to ensure readiness for EV transition.	
		2. Accelerating Vietnam's transition to electric vehicles (EVs) Current Challenges: Charging infrastructure gaps: lack of regulations and financial support hinders the development of a robust and reliable EV charging network Incomplete legal framework: limited regulations for charging station operations, safety and electricity tariffs create uncertainty for businesses and consumers Inadequate incentives: current incentives primarily focus on BEVs, neglecting the transitional role of PHEVs. Recommendations: Enhance technical standards: develop and implement comprehensive technical standards and regulations for EVs, charging equipment and charging stations Develop a legal framework: establish a clear legal framework addressing investment, safety, electricity tariffs, and financial incentives for EV charging businesses Promote technology transfer: offer incentives to encourage	- Ministry of Construction (MOC) - Ministry of Finance (MOF) - Ministry of Science and Technology (MOST) - Ministry of Agriculture and Environment (MOAE).

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		technology transfer and EV adoption among consumers, importers, and manufacturers iv. Support private investment: provide financial incentives for early investors in public high-power DC fast charging networks v. Expand policy support: include PHEVs in incentive schemes, waive import taxes for EVs and hybrids, and extend BEV incentives until 2030 vi. Optimize incentives: implement a tiered approach to Special Consumption Tax (SCT) and registration fees, with lower rates for PHEVs and continued incentives for BEVs until 2030.	
		B. Motorcycle 1. Directive No. 20/CT-TTg of the Prime Minister on urgent and decisive measures to prevent and address environmental pollution Current Challenges: While we support the Government's commitment to green transition and carbon neutrality, a sudden ban on gasoline-powered motorcycles and mandatory shift to electric motorcycles poses major challenges. i. Socio-economically, it would create heavy financial burdens for citizens, especially low-income groups, and disrupt an industry with 200+ suppliers, 2,000+ dealerships, and hundreds of thousands of workers, causing job losses and reduced state budget revenue. ii. Infrastructural and safety challenges also remain, including fire risks from mass charging, insufficient charging stations, battery standardisation, recycling, and construction code updates. Recommendations: i. Allow dual transition pathways: (i) electric motorcycles, or (ii) clean gasoline motorcycles (EURO4, E10 biofuel, stricter control of older vehicles). ii. Leverage industry investments (VND 25 trillion) in EURO4 technology, which can cut emissions by 50% from 2027.	• Office of the Government (OOG) • Ministry of Construction (MOC) • Ministry of Industry and Trade (MOIT) • Ministry of Finance (MOF) • Ministry of Science and Technology (MOST) • The Hanoi People's Committee • The Da Nang People's Committee • Ho Chi Minh City People's Committee

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		iii. In parallel, direct ministries to prioritise charging infrastructure, expand the electricity grid, standardise batteries, and develop recycling systems. This approach would reduce emissions while maintaining social stability and sustainable growth. 2. Improving regulations on End-of-life vehicle disposal in Vietnam Current Challenges: i. Decree 08 mandates vehicle recall and recycling but lacks binding mechanisms and incentives for vehicle owners to properly dispose of their vehicles, potentially hindering EPR implementation and leading to improper disposal. Recommendations: i. Establish Binding Mechanisms: Introduce binding mechanisms to enforce vehicle owners' responsibility for proper disposal, such as: • Pre-payment of recycling fees at the time of purchase. • Automated toll collection systems to maintain responsibility until proper disposal. ii. Implement Incentive Programs: Offer financial incentives to encourage proper disposal, such as: • Subsidies for consumers who dispose of vehicles before the end of their service life or within 15 years of purchase. • Utilize the Environmental Protection Fund to support disposal activities (collection, transportation, recycling, treatment).	• Office of the Government (OOG) • Ministry of Agriculture and Environment (MOAE) • Ministry of Finance (MOF) • Ministry of Justice (MOJ)
13.	Nutritional Foods Group	1. Amendments to Vietnam's Law on Food Safety Current Challenges: i. Reversal of Progress: It proposes a return to outdated pre-inspection measures, including 100% product registration and import inspection, abandoning the risk-based approach of Decree 15. This would also	• National Assembly (NA) • Ministry of Health (MOH) • Legal Department, and

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		reinstate mandatory certifications, previously eliminated for many businesses. ii. Increased Administrative Burden: These changes would impose a significant administrative burden on businesses, increasing compliance costs and potentially slowing economic growth. This contradicts the government's goal of streamlining regulations and promoting business efficiency as outlined in Resolution 02. Recommendations: i. Uphold Resolution 02: Maintain focus on risk management, post-inspection, and streamlined procedures. ii. Incorporate Decree 15 Provisions: Retain self-declaration, risk-based import inspection, and exemptions for establishments with advanced certifications. iii. Modernize the Law: Include provisions on post-inspection, digital transformation, and risk-based food safety management. iv. Apply Risk Management: Focus on high-risk food categories (e.g., medical nutrition, food supplements for vulnerable groups) for stricter controls and certifications.	the Department of Food Safety - Ministry of Health (MOH)
14.	Pharma Group	1. IP Rights: Current Challenges: i. Resolution No. 57 of the Politburo identified innovation as one of the key drivers for Vietnam's economic growth. ii. An internal survey among our pharmaceutical business members shows that 50% have experienced IP violations, with 44% of these cases still unresolved, and 24% ending without meaningful recourse. Recommendations: i. To prioritize a comprehensive review of IP regulations and strengthening their enforcement. Particular attention to	• Ministry of Health (MOH) • Ministry of Science and Technology (MOST)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		pharmaceutical-related provision governing drug registration, such as data protection.	
15.	Sustainable Finance	1. ESG Disclosure: Current Challenges: - High compliance costs and the need for internal capacity building Recommendations: - Introduce a mandatory, standardized ESG disclosure framework for listed companies. - Offer financial incentives, such as tax breaks or reduced compliance costs, for companies that adopt ESG reporting. - Require mandatory ESG disclosures for key sectors that have a high environmental and social impact, such as energy, real estate, and manufacturing. - Invest in the development of digital platforms and tools that simplify the process of collecting, managing, and reporting ESG data.	- Ministry of Finance (MOF) - State Bank of Vietnam (SBV) - Ministry of Agriculture and Environment (MOAE) - Ministry of Industry and Trade (MOIT)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		2. Sustainable Finance Taxonomy: Current Challenges: - Lack of standardized definitions, which leads to inconsistent classification of sustainable activities across sectors. Recommendations: - Establish a multi-stakeholder working group that includes representatives from government agencies, the private sector, financial institutions, and international organizations to develop and refine the taxonomy. - Encourage the creation of financial products such as green bonds, sustainability-linked loans, and transition finance linked to the taxonomy.	- Ministry of Finance (MOF) - State Bank of Vietnam (SBV) - Ministry of Agriculture and Environment (MOAE) - Ministry of Industry and Trade (MOIT)
		3. Sustainable Trade Finance: Current challenges: - Limited participation of banks in financing climate-related activities - Limited awareness with sustainable trade finance products - Regulatory gaps further complicate the landscape, as Vietnam lacks comprehensive rules guiding sustainable trade finance, unlike regions such as the EU. Recommendations: - Encourage the development of a wider range of green financial products, such as green letters of credit, sustainability-linked loans, and green trade credit insurance. - Develop a green export strategy that focuses on promoting sustainable products in international markets.	- Ministry of Finance (MOF) - State Bank of Vietnam (SBV) - Ministry of Agriculture and Environment (MOAE) - Ministry of Industry and Trade (MOIT)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		4. Climate risk in banking: Current Challenges: - The banking industry in Vietnam faces an urgent need for climate risk management practices, addressing both physical risks (extreme weather events) and transition risks (carbon pricing and policies) Recommendations: - Require comprehensive climate risk stress testing across all financial institutions, in line with Decision 1408/QD-NHNN, focusing on both physical and transition risks to identify vulnerabilities in high-risk sectors and mitigate banks from climate-induced losses. - Strengthen regulations, Decree 17/2022/TT-NHNN and Decision 1408/QD-NHNN, to provide more comprehensive guidelines on climate risk assessment and management. - Implement a credit guarantee scheme to reduce the risks for banks financing climate-related projects to unlock capital for sustainable sectors and accelerate the country's green transformation.	- Ministry of Finance (MOF) - State Bank of Vietnam (SBV) - Ministry of Agriculture and Environment (MOAE) - Ministry of Industry and Trade (MOIT)
		5. Adaptation finance: Current Challenges: - Lack comprehensive regulatory framework. - High costs, with an estimated USD 35 billion needed for climate adaptation by 2030, and a lack of accessible climate risk data further complicate the financing of adaptation projects, especially for private sector participation. Recommendations: - Establish a comprehensive national framework for adaptation finance that includes clear definitions of adaptation projects, criteria for financing, and guidelines for integrating climate risks into financial decision-making. - Engage with international climate finance mechanisms, to secure	

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		funding and technical support for large-scale adaptation projects, particularly in vulnerable sectors like agriculture, coastal management, and urban infrastructure. iii. Establish a national Green Investment Bank (GIB) focused on adaptation finance, providing concessional loans, guarantees, and blended finance for climate resilience projects. iv. Provide targeted financial support for climate-resilient agricultural practices, including crop diversification, sustainable irrigation systems, and soil management.	
16.	Taxation and Transfer Pricing	1. VAT Refund Acceleration and Administrative Burden Reductions to Further Support the Growth of enterprises Current Challenges: i. VAT refunds are crucial for foreign-invested enterprises as they directly affect cash flow management and business continuity. Recently, many businesses have raised concerns regarding delays in receiving VAT refunds from the tax authorities. Recommendations: i. Expedite VAT refunds to enhance the business environment and attract increased investment, particularly foreign investment, into Vietnam. 2. The extension of investment support (Cash subsidies and cost-based incentives) Current Challenges: i. Given global economic uncertainties, international tax changes, and the need to promote energy transition and value-added manufacturing.	• Ministry of Finance (MOF) • General Department of Taxation (GDT)
		2. The extension of investment support (Cash subsidies and cost-based incentives) Current Challenges: i. Given global economic uncertainties, international tax changes, and the need to promote energy transition and value-added manufacturing.	• Ministry of Finance (MOF) • General Department of Taxation (GDT)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		Recommendations: expand cost-based incentives to more sectors and socio-economically challenging areas to attract more foreign investment amid global competition.	
		3. Full deductibility of interest expenses for green loans and sustainability-linked loans Current Challenges: - Vietnam's long-term goal of achieving net-zero emissions by 2050 and the need to meet stricter decarbonization requirements for exports, particularly to the EU, will require significant investment, including loans from commercial banks. Recommendations: Add on CIT provisions to allow full deductibility of interest expenses on green and sustainability-linked loans, removing the current 30% cap on EBITDA, to support sustainable investments and align fiscal policies with global sustainability goals.	- Ministry of Finance (MOF) - General Department of Taxation (GDT)
		4. Taxation and tax treaty relief in respect of capital transfer from the offshore shareholders 4.1 Unclear legal framework for the taxation of capital transfer in Vietnam Current Challenges: - Vietnam's current legal framework on capital transfers lacks clarity, leading to difficulties in determining tax obligations. - The broad taxation rule could unfairly tax transactions that involve restructuring or result in losses. - The proposed 2% flat tax rate may further burden transferors,	- Ministry of Finance (MOF) - General Department of Taxation (GDT)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		especially in cases with no taxable gains. Recommendations: i. Review international practices for capital transfer taxation and provide clearer, more specific provisions as well as exemptions, as apply in other countries, under the guiding decree or circular on the Law on CIT. 4.2 Tax Treaty Relief Practices Current Challenges: i. Many local tax authorities reject tax treaty relief for capital transfers without clear justification, creating uncertainty for foreign investors. Recommendations: i. Provide clear, consistent guidelines on the application of tax treaty relief to ensure fair and transparent implementation of tax exemptions in line with international agreements.	
17.	Culture, Sports and Tourism	1. Entry Visa Policy & Administrative Procedures Current Challenges: i. Vietnam still lags behind regional peers (Thailand, Malaysia) with broader exemptions. ii. Administrative issues (slow e-visa portal, long queues at airports) also affect the visitor experience. Recommendations: i. Expand visa waivers to more countries, prioritizing EU and high-value markets. ii. Offer temporary visa exemptions for special events, such as MICE tourism and international events, forums, exhibitions, sporting events, and cultural festivals.	• Ministry of Foreign Affairs (MOFA) • Ministry of Public Security (MPS) • Immigration Department • Ministry of Culture, Sports, and Tourism (MOCST)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		iii. Upgrade and streamline e-visa and immigration processes as multilingual, faster, clearer instructions; add e-gates and “special care” immigration lanes. iv. Consider new visa categories for niche long-stay visitors (digital nomad, retirement visas).	
		2. Medical Tourism Current Challenges: i. No dedicated medical visa category. ii. Fragmented service packages remain limited. iii. Limited accredited hospitals and weak international promotion. Recommendations: i. Introduce a medical visa or facilitative visa policy: extended stay (90–180 days) for patients and caregivers. ii. Develop integrated medical tourism packages to strengthen public-private collaboration. iii. Launch international marketing campaigns to brand Vietnam as a medical tourism destination. iv. Incentivize hospitals for international accreditation (JCI) and improve language/patient services. v. Promote certified traditional medicine & wellness packages as a unique differentiator.	• Ministry of Culture, Sports and Tourism (MOCST) • Vietnam National Administration of Tourism (VNAT) • Ministry of Health (MOH)
		3. Wellness Tourism Current Challenges: i. Offerings remain fragmented and lack comprehensive packages. ii. Competitors like Thailand/Bali already dominate. Recommendations: i. Formulate a comprehensive national wellness tourism strategy. ii. Encourage product innovation and integrated wellness packages.	• Ministry of Culture, Sports and Tourism (MOCST) • Vietnam National Administration of Tourism (VNAT) • Ministry of Health (MOH).

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		iii. Promote Vietnam's wellness brand internationally. iv. Invest in human resources and facilities. v. Ensure coordination between health and tourism authorities.	
		3. Tourism Infrastructure & Regional Connectivity Current Challenges: i. Vietnam is investing heavily (expressways, Long Thanh airport, regional airports) but major gateways are congested (Tan Son Nhat, Noi Bai). ii. Secondary destinations remain poorly connected, compared with Thailand, Vietnam's infrastructure still underdeveloped, limiting multi-destination tourism. Recommendations: i. Accelerate major transport projects (Long Thanh, expressways, railway modernization). ii. Improve inter-provincial and cross-border connectivity (better Laos/Cambodia links, new ferry/cruise routes). iii. Encourage diversified investments (theme parks, MICE facilities, eco-resorts, tourist zones). iv. Ensure sustainability in new projects (EIAs, climate resilience, green building standards). v. Collaborate with ASEAN peers on infrastructure standards, knowledge sharing, and regional connectivity.	• Ministry of Foreign Affairs (MOFA) • Ministry of Public Security (MPS) • Immigration Department • Ministry of Transport (MOT) • Ministry of Culture, Sports, and Tourism (MOCST) • Civil Aviation Authority of Vietnam (CAAV) • Ministry of Finance (MOF)
		4. Environmental Sustainability & Heritage Protection Current Challenges: i. Tourism growth threatens UNESCO sites (e.g., Ha Long Bay under UNESCO review). ii. Issues include overtourism, unregulated construction, waste, and weak enforcement.	• Ministry of Transport (MOT) • Ministry of Finance (MOF) • Ministry of Foreign Affairs (MOFA)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		iii. Some pilot successes (Hoi An plastic ban, community-based tourism), but scaling is limited. Recommendations: i. Enforce strict heritage protections (EIAs, buffer zones, Heritage Protection Task Force). ii. Upgrade waste and environmental management in tourist hotspots (ban single-use plastics, recycling infrastructure, heavy fines for violations). iii. Create Green Tourism Certification with incentives for eco-friendly operators. iv. Strengthen local community involvement (training, cooperatives, tourism funds, reinvestment of fees). v. Educate and guide tourists (responsible travel campaigns, eco-friendly apps, cultural sensitivity messaging).	• Office of the Government (OOG) • Ministry of Culture, Sports, and Tourism (MOCST)
18.	Transportation and Logistics	1. Airport Security Current Challenges: i. Congestion and outdated screening equipment are causing shipment delays. ii. Limited visibility and rigid airport procedures reduce efficiency. iii. Regulatory restrictions (trucking, loading hours) add to bottlenecks. Recommendations: i. Modernise airports with larger X-ray equipment and adopt AI/K9 screening to meet international standards. ii. Extend loading/unloading hours and ease bottlenecks to reduce congestion and delays. iii. Pilot off-airport cargo facilities to ease congestion and improve efficiency. iv. Streamline customs processes to improve cargo flow and reduce	• Ministry of Industry and Trade (MOIT) • Ministry of Finance (MOF) • Ministry of Construction (MOC)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		bottlenecks.	
		2. Customs Current challenges: - complex tariff declarations, valuation disputes, and EUR.1 form shortages hinder trade efficiency. - abolishing on-spot import/export procedures risks higher costs, delays, and reduced competitiveness. Recommendations: Differentiate administrative errors from legal breaches to improve flexibility in cargo movement. Digitalise customs processes, including electronic Certificates of Origin (e-C/O), to enhance efficiency. Ensure long-term availability of EUR.1 forms and transition to a digital certification system. Retain on-spot import/export policies to support cost-effective and time-efficient production while maintaining Vietnam's attractiveness for foreign investment.	- Ministry of Finance (MOF) - Customs Department (CD) - Ministry of Industry and Trade (MOIT)
		3. Sustainability in Transportation and Logistics Current challenges: - High emissions, lack of low-emission vehicles, and insufficient adoption of sustainable practices. Recommendations: Develop a sustainability roadmap targeting net-zero carbon emissions by 2050. Set emissions goals, incentivise clean fuels, and enforce transparent reporting. Upgrade infrastructure for electric and LNG vehicles and promote	- Ministry of Industry and Trade (MOIT) - Ministry of Finance (MOF) - Ministry of Construction (MOC) - Ministry of Agriculture and Environment (MOAE)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		green logistics hubs. iv. Design a transition plan for low-emission vehicles by 2030. v. Align policies with global standards like the EU Green Deal and Vietnam's Green Growth Strategy.	
19.	Wine and Spirits	Currently no advocacy points.	
20.	Women in Business	1. Sustainable Development and Gender Equality Current Challenges: i. Empowering women and addressing gender equality are essential for achieving sustainable development and a fair society. Recommendations: i. Promote gender equality in environmental management and climate strategies (MOAE). ii. Increase women's leadership and ensure equal access to education, healthcare, and economic opportunities (MOHA, MPI). iii. Combat gender-based discrimination to foster social inclusion and cohesion.	Ministry of Home Affairs (MOHA)
		2. Labour regulations affecting female employees Current challenges: i. Lack of Incentives for Female-Friendly Policies: Decree 145 encourages employers to support female workers through measures like flexible schedules and remote work. However, without specific incentives, the effectiveness of these measures is questionable. ii. Short Paternity Leave for Men: The Social Insurance Law grants men only 5–14 days of paternity leave, compared to six months for women. Recommendations: i. Provide specific incentives for employers implementing female-friendly policies under Decree 145.	i. Ministry of Home Affairs (MOHA)

No.	Sector Committee	Advocacy point summary	Relevant Government bodies
		ii. Extend paternity leave to one month as a step toward more balanced parental leave policies.	
		3. Ensuring gender equality in Vietnam's digital transformation Current Challenges: i. As digital transformation advances, with 75% of jobs in STEM by 2050, women remain underrepresented in STEM fields, risking widened gender disparities. Recommendations: i. Collect data on female STEM participation and ensure policies address gender gaps. ii. Foster inclusive education and vocational training for women in STEM and digital fields (MOET, MOHA). iii. Promote awareness campaigns to challenge stereotypes and inspire women in STEM.	• Ministry of Home Affairs (MOHA) • Ministry of Education and Training (MOET) • Ministry of Science and Technology (MOST).



SPEECH OF JAPANESE CHAMBER OF COMMERCE AND INDUSTRY IN VIETNAM

PROMOTING REFORM AND INNOVATION FOR A GREEN, COMPETITIVE, AND READY VIETNAM IN THE NEW ERA

H.E. Prime Minister, Pham Minh Chinh,
H.E. Finance Minister, Nguyễn Văn Thắng,
Esteemed guests, and colleagues,

JCCI appreciates the Vietnamese government's visionary leadership, particularly through the four Politburo resolutions emphasizing innovation, international integration, legal reform, and private sector development. These pillars are essential for Vietnam's future, and Japanese companies strongly support this direction.

Japanese companies have transitioned from labor-intensive investments to investments that enhance industrial value, human capital, and infrastructure. We encourage the development of value-added industries, including R&D, capacity building, and energy transition projects, to demonstrate our commitment to a competitive, green, and future-ready Vietnam. However, despite our commitment, we continue to face operational challenges. We respectfully offer the following recommendations:

1. Highly Feasible Policy Implementation

We support Vietnam's environmental goals, including the prime minister's directive to restrict gasoline-powered motorcycles in Hanoi. However, we urge a phased and practical implementation that considers the impact on citizens and local industries. It is necessary to ensure balanced and inclusive policymaking.

Similarly, proposed fuel efficiency standards in the transportation sector must reflect Vietnam's unique energy and mobility context. Hybrid vehicles, which require no special infrastructure, may offer a realistic path forward.

We advocate for collaborative policy development supported by clear roadmaps that guide industrial transformation. Japanese companies stand ready to support Vietnam on this journey.

2. Enhancing Administrative Authority and Legal Clarity

When executing infrastructure projects, counterpart ministries and agencies seem to lack the necessary eligibility and authority. Additionally, the ambiguity of relevant laws and regulations limits their ability to solve problems. Reaching agreements between business operators and authorities is difficult and hinders project progress.

For example, there are cases in which a national infrastructure project has been completed, yet the contractor has not been adequately compensated. Negotiations with the counterpart authority fail to resolve the issue because the officials in charge have limited eligibility and

authority. Even when officials seek guidance from the higher-level organization, it is reluctant to take responsibility due to ambiguous authority in the relevant laws and regulations.

In another case, a Japanese company applied to extend its investment project period, but due to legal shortcomings, the administrative procedures stalled. Due to a Lack of interministerial coordination, the Customs Bureau suspended this company's EPE tax preferential treatment, which caused negatively impacted its business activities.

We respectfully request that the leadership of the Vietnamese government, including Your Excellency, Prime Minister Chinh, continue to address the challenges we have raised.

3. Improving Administrative Procedures

Japanese companies face challenges in obtaining Retail Outlet Licenses (ROs) due to the Economic Needs Test (ENT) under Decree 09 of 2018. Under the CPTPP agreement, Vietnam has committed to removing the ENT requirement for member countries. We appreciate the government's efforts to revise Decree 09 and request that national treatment be granted to CPTPP investors without delay.

In the digital sector, delays in issuing e-commerce business licenses result in missed opportunities. We urge the government to accelerate licensing procedures to foster innovation and support the growth of new industries.

4. Strengthening the Supply Chain and Human Resources Development

To avoid the middle-income trap and achieve sustainable growth, Vietnam must foster innovation and strengthen its supply chains to develop globally competitive domestic industries. Collaboration between global companies and Vietnamese firms is essential to increasing local content and productivity.

Japanese companies have institutionally developed skilled workforces and enhanced supporting industries in order to establish Vietnam in the global supply chain. However, we are still facing a shortage of skilled workers due to talent outflow and business expansion. We therefore request that vocational training institutions be strengthened to meet industry demands. JCCI is collaborating with universities and vocational schools to promote industry-academia partnerships through career development.

In closing, Japanese companies have contributed significantly to Vietnam's development through capital, employment, technology, and knowledge transfers. We are committed to deepening this partnership and supporting Vietnam's transformation into a competitive, green, and future-ready economy.

JCCI believes that improving the investment environment continuously will empower foreign companies, including Japanese firms, to invest and expand confidently in Vietnam, ultimately contributing to Vietnam becoming a developed nation by 2045.

Thank you very much for your attention.



SPEECH OF KOREA CHAMBER OF BUSINESS IN VIETNAM

Today, on behalf of Korean enterprises operating in Vietnam, I would like to extend my deepest appreciation to Prime Minister Phạm Minh Chính and all distinguished officials for convening this meaningful occasion. As a member of the Korean business community that has been contributing to Vietnam's remarkable phase of economic growth, I take great pride and joy in sharing this moment of accomplishment. I remain sincerely grateful to the Prime Minister for personally listening to the voices of Korean enterprises and for providing direct guidance to address various important issues during the dialogue with the Korean business community last March.

Business activities are a continuous process; therefore, I would like to take this opportunity to raise a few matters and express my hope that today's meeting will serve as a meaningful platform for future improvements.

First, I would like to address the difficulties arising in the export logistics process due to recent policy changes.

Some manufacturing companies, including those in the automobile sector, produce goods exclusively for export. However, since these products are manufactured in accordance with the standards of the importing countries, there are cases in which they cannot obtain a Certificate of Quality (CQ) within Vietnam.

Consequently, temporary license plates cannot be issued, making it impossible to transport the goods to the port. This situation causes delays across the entire export schedule and results in additional costs stemming from logistical constraints.

We believe that such procedural limitations impede the diversification of export destinations. Therefore, we respectfully request the Government to consider establishing an exceptional procedure that would allow the issuance of temporary license plates for products manufactured exclusively for export.

Second, the issue of delayed VAT refunds on domestic export and import transactions needs to be addressed promptly.

At present, many Korean enterprises are facing financial difficulties due to prolonged delays in receiving VAT refunds. In particular, there have been instances where some companies, despite having already received their refunds, were later required to return the refunded amount or pay additional taxes and penalties as a result of tax audits.

This situation appears to stem from the fact that, at the local level, certain authorities have not fully implemented the policy intentions of the Central Government and the Prime Minister,

who have consistently emphasized the importance of strong support for foreign-invested enterprises.

Therefore, it is essential to ensure that the customs and taxation policies of the Central Government are applied consistently across all local and tax authorities, and that the refund process is expedited to help stabilize corporate cash flows. From this perspective, we would also like to suggest that, for enterprises actively implementing ESG practices, the introduction of a “refund-first, verify-later” mechanism for VAT could serve as a balanced and practical approach — one that strengthens government trust in compliant enterprises while enhancing the efficiency of policy implementation.

Third, it is necessary to extend the operational period for enterprises located within industrial parks.

At present, many Korean enterprises are approaching the expiration of their industrial land lease contracts or investment project terms. However, in the absence of institutional mechanisms that allow continued operations beyond the expiration of such contracts, these companies may be compelled to make unfavorable decisions, including potential withdrawal from the market.

This situation not only results in losses for the enterprises from a sustainable development perspective but may also undermine investor confidence in Vietnam’s overall investment environment.

To address this issue, we respectfully propose that enterprises whose project terms have expired be provided with guidance and allocated alternative land within the same or nearby industrial zones. We also recommend that a formal mechanism be established to permit contract extensions for enterprises that meet specific conditions, thereby enabling them to continue their operations in a stable and sustainable manner.

In particular, we suggest that priority for such extensions be granted to enterprises that have contributed to Vietnam’s economic development since the early 1990s, as well as those demonstrating a strong commitment to long-term investment in the country.

Fourth, it is essential to ensure that the proposed amendments to the High-Tech Law do not undermine the investment activities of foreign direct investment (FDI) enterprises.

The draft amendment to the High-Tech Law currently under consideration by the National Assembly is a highly significant piece of legislation that has been instrumental in driving Vietnam’s technological innovation and industrial advancement. It will continue to play a pivotal role in supporting Vietnam’s transformation into an economy centered on high-tech industries in the years ahead.

However, there are growing concerns that the proposed amendments may substantially affect the investment incentives previously granted to FDI enterprises under existing commitments. Should the revisions result in a reduction of the incentives promised by the Government, or weaken the investment competitiveness of FDI enterprises, this could have adverse implications for Vietnam’s medium- and long-term development goals, including investment expansion, technology transfer, and human resource development.

Therefore, we respectfully request the Prime Minister's thoughtful guidance and consideration to ensure that the amendments are formulated and implemented in a rational, transparent, and balanced manner.

We would also like to express our sincere appreciation to the Government of Vietnam for its successful conduct of trade and tariff negotiations with the United States since last May. We respectfully hope that, in the course of future discussions, a fair and reasonable transshipment rule will be established to enable both Vietnamese enterprises and FDI investors to operate within a stable and predictable business environment.

Fifth, it is necessary to address the imbalance between labor supply and demand.

Due to recent changes in the investment environment, enterprises are encountering increasing difficulties in securing both skilled technical personnel and general production workers. In particular, the labor market has become increasingly unstable as a result of unregulated and excessive recruitment practices by certain companies. Consequently, skilled workers in whom enterprises have invested substantial time and resources for training are unable to remain with their employers for extended periods. This situation not only disrupts production activities but also poses a serious obstacle to the expansion of new investments.

To address this issue, we respectfully propose the following measures: Strengthening cooperation in vocational training and education to develop a pool of locally skilled workers; establishing mechanisms to better align labor supply and demand between rural areas and industrial zones based on actual industry needs; and providing institutional support to ensure employment stability and reduce labor turnover, thereby enabling trained workers to remain employed in a sustainable and stable manner.

Lastly, I would like to emphasize the importance of establishing and implementing robust government policies on ESG.

At this juncture, ESG management is no longer a matter of choice but a mandatory responsibility that requires swift and effective execution. In particular, we recognize that green growth and digital transformation are areas of great interest and priority for the Prime Minister. We firmly believe that combining Korea's advanced clean technologies with Vietnam's strong manufacturing foundation holds immense potential to transform Vietnam into an environmentally friendly manufacturing hub within the Asian region. In this regard, we hope to further strengthen bilateral cooperation between our two countries.

Equally important is the cultivation of human resources to sustain this transformation. Through the expansion of joint educational programs and industry-academia cooperation, Vietnam and Korea can work together to nurture a new generation of talent capable of leading the era of the "green and digital economy." To make this possible, it is essential to establish institutional frameworks and policies that facilitate continuous and effective communication between the government and the business community. At the same time, challenges such as limited understanding of administrative procedures, the absence of ESG disclosure standards, and restricted access to green finance must be addressed in a timely manner. We firmly believe that introducing bold incentive measures for enterprises that proactively uphold ESG principles will make a significant contribution to Vietnam's carbon neutrality objectives.

The proposals we present today reflect the collective voice of numerous Korean enterprises and serve as practical policy recommendations aimed at improving the investment environment — particularly in promoting green growth and advancing digital transformation.

We, the Korean business community, always hold in high regard the insightful message conveyed by the Prime Minister during the dialogue with Korean enterprises last March — a call to “work together, achieve together, and grow together” through foresight, broad vision, deep reflection, and decisive action.

We look forward to continuing as strong partners and trusted companions in ushering in a new era of shared success — one that extends beyond the achievements of the past three decades in the manufacturing sector to encompass infrastructure development, green growth, digital innovation, and the age of artificial intelligence.

We wish the Prime Minister and all of you good health, happiness, and enduring success in all future endeavors.

SPEECH OF VBF ASSOCIATE MEMBERS

His Excellency the Prime Minister of Vietnam, Ministers, World Bank and IFC Leaders, Ambassadors, colleagues, Ladies and gentlemen.

You have already heard from the five (5) VBF Consortium members, and from the VCCI.

I speak on behalf of the seven (7) smaller International Business Chambers and Business Associations – the Associate VBF members. We represent more than 4,000 FDI companies, and billions of US dollars in foreign investment in Vietnam from Australia, Taiwan (China), Hong Kong, India, Singapore, Switzerland and Thailand.

The issues facing the Associate VBF members are fundamentally the same as those faced by the larger Chambers and their members viz. Sustainability and Environmental management for Green Transition and the Green Economy, and Digital Transformation particularly adoption of advanced technologies and AI. These and other issues including Ease of Doing Business and administrative reform are also important to us.

Vietnam has set ambitious development targets for the coming time, including net-zero emissions by 2050, deeper global value-chain integration, and rapid digitalisation across government and industry. Achieving these aspirational goals requires a transformational approach by advancing green growth and digital innovation concurrently.

Foreign Direct Investment (FDI) continues to be a central driver in this and the coming decades: unlocking global capital, facilitating technology transfer, creating high-value employment opportunities, providing targeted education both academically and vocationally, modernising supply chains, and strengthening national competitiveness.

With regard to Green Transition, it has been 4 years since COP 26 in November 2021 where the Prime Minister of Vietnam announced Vietnam's commitment to net zero GHG emissions by 2050. COP 30 is being held in Brazil as we speak. With energy transition as a theme, focusing on renewable energy growth, energy efficiency, and sector transformations. Notably COP30 is discussing Adaptation and resilience: Addressing the physical risks of climate change through initiatives in cities, infrastructure, and water systems. Very topical issues for Vietnam.

So, together with the switch to renewable energy sources for powering operations, and from fossil fuels to cleaner alternatives like wind and solar, biomass or green hydrogen, we recognize that all manufacturers both domestic and foreign must improve energy efficiency through smarter production processes, and implement the circular economy, which includes capturing, recycling, and reusing materials.

We also note with interest that the government is moving towards de-carbonisation and development of a carbon market – this is a positive step towards reduction of GHG production and encourages use of alternative energy systems.

Digital transformation is reshaping Vietnam's economy, with opportunities across e-commerce, financial services, logistics, agribusiness, manufacturing, e-government, and education, together with implementation of advanced technologies including AI.

Vietnam has very strong growth potential, and the key issues for ensuring this growth projection are - consistency in Provincial implementation capacity, ability for hybrid online/paper submissions to government platforms, and data flow rules that ensure clear pathways to compliance.

We would also like to see Standardised digital procedures nationwide, issuance of clear implementation guidelines to provinces for capacity building, upgrade of digital administration systems (including bilingual formats), promotion of globally aligned cybersecurity principles recognising international cloud/cyber standards, enabling of cross-border data flows, and building and upgrading of digital public infrastructure.

Vietnam's 2025 administrative restructuring, including the government's decision to consolidate provincial-level units and remove district-level administrations, demonstrates strong commitment to efficiency and improved service delivery.

However, licensing delays persist due to structural transitions, provincial interpretations vary, and some import licensing processes for example face uncertainty as authorities restructure. We look forward to "bedding-down" of the new re-structure arrangements realising substantial benefits to both government and business.

Vietnam is entering a decisive development phase. Green transition and digital transformation will enable the country to move up the global value and supply chain, attract higher-quality investment, and foster sustainable growth.

The Associate VBF members are well positioned to be strong partners with the government in Vietnam's next growth chapter by offering:

Clean-energy and de-carbonisation technologies, Digital transformation and cyber capability, High-quality vocational and higher education, Agrifood and medical services expertise; and transparent, ESG-aligned business practices.

To realise the shared vision of a competitive, green, and digital Vietnam, we believe the policy environment must continue focusing on:

- Regulatory clarity and predictability,
- Consistency in implementation of reforms across provinces,
- Efficient facilitation of investment and talent,
- Public-private partnerships and collaboration; and
- Development of a robust energy and digital infrastructure

The Associate VBF members stand ready to support the Government, ministries, and provincial authorities in translating these recommendations into practical solutions that benefit Vietnam's people, economy, and environment while sharing the vision of a globally competitive, green, and digitally advanced Vietnam striding confidently into the future.

Thank you.

SPEECH OF DIGITAL ECONOMY WORKING GROUP

Prime Minister Pham Minh Chinh,
Minister of Finance Nguyen Van Thang,
Distinguished delegates and esteemed guests,

First of all, VBF's Digital Economy Working Group highly appreciates the orientation on digital transformation of the Party and the Government of Vietnam, especially Resolution 57 of the Politburo on breakthroughs in science, technology, innovation and national digital transformation. We are optimistic that the liberating scientific thinking orientation in Resolution 57 will lead Vietnam to a breakthrough in the technological race and make Vietnam's presence felt in the high-tech industry globally.

In addition, Vietnam's digital economy is pushing forward convincingly. The growth of this sector in recent times has been nothing short of an astonishment, and all indicators show that the potential of Vietnam's digital economy remains substantial. Furthermore, a strong digital economy has been shown to enhance the development of sustainable green growth. With the efforts of the Vietnamese Government in creating the most favorable environment for the development of Vietnam's digital economy, we wholeheartedly believe in its bright future, and are committed to continuing to accompany and support Vietnam on this path.

However, in order for the digital economy in Vietnam to truly make further breakthroughs, we would like to make several comments related to the legal framework regulating the digital economy.

First, we hope that when drafting regulations, ministries and agencies need to ensure that new regulations are sound and are consistent with the practical operations of businesses and the market, avoiding creating unnecessary barriers to business operations or introducing cumbersome and onerous administrative procedures, which place additional compliance burdens on businesses.

Studies have shown that the more burdensome and prohibitive regulations an economy enacts, the less innovative it is. For a sector that often displays rapid and frequent development and transformation like the ICT industry, there may be urges to create new legal frameworks to regulate the unknowns. However, we recommend that the Government of Vietnam exercise some patience and avoid regulatory overreach, and look to international experience to see how other advanced countries are also exploring and applying new solutions to these issues, and adapt proven best practices in a practical manner for the Vietnamese market.

In addition, policy implementation capacity is also very crucial in ensuring that good policies will promptly impart their benefits, obstacles facing businesses are resolved, and resources that are essential for the pursuit of innovation are liberated.

Second, we hope that the Vietnamese Government will continue its effort to reduce and simplify administrative procedures and business conditions for enterprises, especially for those operating in the digital economy. Management agencies need to ensure a balance between state management objectives and the interests of enterprises, especially avoiding the introduction of new administrative procedures when their management purposes and effectiveness are still unclear.

In particular, management agencies need to avoid overlaps in administrative procedures among different legal documents. For example, currently, an e-commerce platform is subjected to multiple reporting requirements in many different regulations, including the regulations on consumer right protection, electronic transactions, e-commerce, and in the draft Law on Digital Transformation, expected to be passed in the next National Assembly Session. Such overlaps increase compliance costs for businesses, taking away resources that could otherwise be used for business and innovation purposes.

In addition, we also recommend that regulators minimize requirements where foreign businesses must establish domestic legal entities to provide services, as in the new draft Cybersecurity Law, draft AI Law or Law on E-Commerce, Decree 147/2024. Such requirements will reduce the attractiveness of Vietnam as a business partner and in turn impact its viability as an investment destination.

Third, we wish to strongly emphasize that the free flow of data, unhindered by physical borders, is a fundamental and essential element for a strong and secure digital economy. When this element is ensured, domestic enterprises will be able to access novel, modern technologies globally, such as data analytics and processing, cloud computing services, artificial intelligence, etc., more easily, allowing them to effectively extract more values from their data through modern tools while still being able to minimize operating costs.

Moreover, the free flow of data also contributes to improving the safety and security of businesses and users. Cyberattacks occur on a global scale, and cybersecurity organizations need comprehensive data from all locations to be able to identify attack patterns, support early threat detection, and formulate defensive responses for when systems are attacked. Businesses can also benefit from global data backups; this is one of the best practices to avoid disruptions in operations when IT systems in one location are under attack. Therefore, we hope that regulators will pay attention to this issue in the process of developing policies and drafting documents.

Finally, the creative economy is gradually becoming a leading economic sector, strongly contributing to the economic development of Vietnam, as well as showcasing Vietnamese culture to the international community. To promote the development of this industry, we propose that state management agencies continue to create a favorable regulatory condition for domestic enterprises by cutting and simplifying administrative procedures, as mentioned above, and reducing conditions for foreign enterprises to invest in the Vietnamese market. Currently, enterprises providing OTT Pay TV services and online game services must obtain licenses according to the provisions of Decree 71/2022 and Decree 147/2024. This licensing regime induces hesitancy among leading global enterprises in this field to invest and operate in Vietnam, in turn making it difficult for Vietnamese content creators to reach international audience through global content platforms. We propose that the Ministry of Culture, Sports and Tourism consider and apply a more optimal approach, which is to only require cross-border enterprises to notify state agencies when providing services. We believe that such an approach will promote foreign investment in the cultural industry in Vietnam, supporting the development of the creative economy. It will also not only encourage the development of online games and creative content in the country, but also expand access to high-quality international content to a wider audience and users in Vietnam and vice versa.

Thank you very much for listening. The VBF Digital Economy Working Group stands ready to continue supporting the Government of Vietnam and its agencies and ministries in developing the most appropriate and constructive legal framework for Vietnam's digital economy.

POSITION PAPER OF DIGITAL ECONOMY WORKING GROUP

No.	Areas	Regulations	Issues	Recommendations
1	Obligations of On-demand Internet Radio and Television Content Service Platforms	Decree No. 06/2016/NĐ-CP, as amended and supplemented by Decree No. 71/2022/NĐ-CP, on the management, provision, and use of radio and television services.	Heavy Obligations Imposed on On-demand Internet Radio and Television Content Platforms: Decree No. 06/2016/NĐ-CP currently imposes multiple barriers on the operation of platforms providing on-demand radio and television content over the Internet. These include requirements such as: cross-border service providers must establish a local legal entity, comply with Vietnam's licensing and registration procedures, and adhere to the 30% cap on foreign content channels. These requirements create significant business obstacles for companies providing services to customers in the Vietnamese market. Within the Asia region, only China and Vietnam maintain such restrictions. Furthermore, these regulations limit Vietnamese consumers' access to high-quality international content.	We respectfully recommend that the Government consider removing the licensing and local entity establishment requirements, as well as the 30% cap on foreign content channels under Decree No. 06 and Decree No. 71, in order to create a more favorable investment environment for foreign investors and service providers.
2	Obligations of Electronic Information and Online Game Service Providers	Decree No. 147/2024/NĐ-CP on the management, provision, and use of internet services and online information.	Heavy Obligations Imposed on Electronic Information, Online Game, and Data Center Service Providers: Decree No. 147/2024/NĐ-CP currently imposes stringent regulations on online game service providers, including requirements to establish a local legal entity, obtain business licenses for online games, and secure permits or certificates for game publication, among others. These requirements create significant market	We respectfully recommend that the Government consider removing the requirements for local legal entity establishment and licensing for online game service providers under Decree No. 147. Instead, the Government may consider adopting a service notification mechanism, which would serve as a simpler and

No.	Areas	Regulations	Issues	Recommendations
			access barriers for foreign investors in the online gaming sector and are inconsistent with the business models and practices of cross-border service providers.	more practical approach for foreign service providers.
3	Obligations of Electronic Information and Online Game Service Providers	Decree No. 147/2024/NĐ-CP on the management, provision, and use of internet services and online information.	Form No. 29 – <i>Application for License to Provide Online Game Services</i> and Form No. 39 – <i>Application for Certificate to Provide G2, G3, G4 Online Game Services</i>, under the Appendix of Decree No. 147/2024/NĐ-CP, require applicants to commit that the entire payment support and connection system for the games must be located in Vietnam and managed, operated, and controlled by the enterprise within Vietnam. However, the substantive provisions in Point (d), Clause 1, Article 39 and Point (d), Clause 1, Article 48 of Decree No. 147/2024 only require enterprises to “<i>have technical systems capable of connecting with organizations providing payment services or intermediary payment services in accordance with the law.</i>” These provisions do not stipulate that the system must be located, managed, operated, or controlled in Vietnam.	We respectfully recommend that the Authority of Broadcasting, Television and Electronic Information (ABTEI) under the Ministry revise Form No. 29 and Form No. 39 to ensure consistency with the provisions set out in Articles 39 and 48 of Decree No. 147/2024.
4	Governing scope of E-commerce Law	Draft Law on E-commerce (Version dated 12 August 2025)	The governing scope of the Draft Law is excessively broad, covering a wide range of enterprises operating in various sectors that are already regulated under specialized legal instruments, such as digital content and digital service industries. This could result in the imposition of heavy compliance obligations on both domestic and foreign enterprises across multiple sectors,	We respectfully recommend adding an exclusion list — similar to the provision under Clause 2, Article 1 of Decree No. 52/2013 on E-commerce, as amended by Decree No. 85/2021 — for certain sectors that are

No.	Areas	Regulations	Issues	Recommendations
			leading to substantial compliance costs. Furthermore, applying a uniform regulatory framework to all types of e-commerce platforms and products may seriously undermine Vietnam's efforts to encourage investment and hinder private sector commercial activities.	currently excluded from the governing scope of e-commerce legislation. These include digital content information services, radio and television services, and other sectors already regulated under specialized laws.
5	Conditions for Foreign E-commerce Platforms to Operate in Vietnam	Draft Law on E-commerce (Version dated 12 August 2025)	The Draft Law stipulates that owners of foreign e-commerce platforms must either establish a legal entity in Vietnam or appoint an authorized representative in the country, depending on Vietnam's international commitments. Requiring enterprises to establish a local legal entity would impose substantial financial, legal, and operational burdens. Moreover, if an e-commerce platform opts to appoint a local authorized representative, this approach carries significant risks related to internal corporate governance, trade secrets, and technological know-how, while also creating a heavy administrative burden in overseeing the authorized representative.	We respectfully recommend removing the requirement for foreign enterprises to establish a local legal entity in Vietnam under the Draft Law.
6	Cross-border Data Flows	Draft Law on Cybersecurity	Clause 3, Article 16 of the Draft Law stipulates that personal data, data on users' relationships, and data generated by users of services in Vietnam must be stored within Vietnam. However, the data localization requirement would ultimately disadvantage both Vietnam and Vietnamese consumers. Such requirements would restrict the ability of consumers, businesses, and government agencies —	We respectfully recommend that the data localization requirement be removed from the Draft Law.

No.	Areas	Regulations	Issues	Recommendations
			all of whom rely heavily on international data transmission — to access essential technological services (e.g., cloud computing, anti-fraud tools). Specifically: - The requirement to store data within Vietnam runs counter to the goal of improving network efficiency and reducing costs through interconnected internet services. Moreover, since fraud is not confined within national borders, mandating data storage in Vietnam would also hinder anti-fraud efforts. Developing effective fraud detection models and enabling real-time prevention require organizations to analyze global or cross-border datasets. Imposing data localization requirements, or restricting cross-border data transfers, would make it more difficult for organizations to detect and prevent fraudulent activities. Such restrictions would prevent the identification of similar fraud patterns across different geographic regions and could unintentionally benefit fraudsters. - The data localization requirement would also increase product development costs, as it would necessitate designing equipment and systems specifically for each local market, thereby creating an uneven and uncompetitive business environment. Moreover, global innovation and technological advancement are increasingly built upon hyperscale architectures that rely on global datasets — essential for breakthroughs in artificial intelligence, deep learning, and natural language	

No.	Areas	Regulations	Issues	Recommendations
			processing. Imposing restrictions that make such services unfeasible in Vietnam would hinder economic growth and limit the development of globally competitive Vietnamese enterprises. - Furthermore, companies operating across multiple countries must be able to transmit, store, and process data across borders in order to deliver goods and services to consumers, manage global workforces, maintain supply chains, and meet financial reporting obligations. - The requirement to store data within Vietnam also conflicts with Vietnam's international trade commitments. As a party to the Regional Comprehensive Economic Partnership (RCEP), Vietnam has undertaken a binding commitment that "no Party shall require a covered person to use or locate computing facilities in its territory as a condition for conducting business in that territory." The proposed data localization requirement would represent a step backward from the progressive digital policies that Vietnam has demonstrated in various international trade negotiations. - Mandatory data storage and extended retention requirements (up to two years after the service is provided) also pose significant cloud security challenges for cloud service providers. Requiring data to be stored in Vietnam could create concentrated targets for cyberattacks, thereby increasing — rather than reducing — security risks. This approach contradicts global best practices in	

No.	Areas	Regulations	Issues	Recommendations
			cloud computing, which emphasize geographically distributed data backup and redundancy to ensure resilience and disaster recovery.	
7	Regulations on “Backdoors”	Draft Law on Cybersecurity	In the latest Draft Law, Clause 5, Article 53 poses significant cybersecurity risks and could severely undermine personal privacy. This provision may allow competent authorities to compel companies to maintain secret “backdoors” or other technical surveillance capabilities, thereby weakening encryption tools and other safeguards designed to protect against hackers and malicious actors. Creating such backdoors could lead to serious unintended consequences that contradict their intended purpose: • Security risks and user harm: Backdoors introduce system vulnerabilities that can be exploited by malicious actors, compromising users’ privacy, assets, and safety. • Economic harm: When users perceive their devices as less secure, they will use them less and participate less in the digital ecosystem, negatively affecting Vietnam’s rapidly growing e-commerce sector. • Limited effectiveness: Criminal organizations will likely avoid applications known to contain backdoors and instead use alternative communication methods, thereby limiting the intelligence-gathering effectiveness of such measures. Overall, implementing regulations on backdoors would create cybersecurity risks, harm users, and cause	We respectfully recommend that the competent authorities refrain from adopting the backdoor measure. Instead, the authorities should consider alternative approaches that can achieve the objective of combating cybercrime without compromising the privacy and security of Vietnamese users — for example, through the establishment of more robust judicial procedures.

No.	Areas	Regulations	Issues	Recommendations
			economic losses to Vietnam's thriving digital ecosystem. The expected benefits of enhancing access to crime-related information would likely be far lower than anticipated, as criminal organizations would adapt and shift data beyond the reach of backdoor monitoring.	
8	Notification Requirement for Cross-border Provision of Telecommunication Services in Vietnam	Law on Telecommunications; Decree No. 163/2024/NĐ-CP detailing and providing measures for the implementation of certain articles of the Law on Telecommunications.	Currently, the Law on Telecommunications and Decree No. 163 require enterprises providing cross-border services — such as basic telecommunications services over the Internet, cloud computing services, or cross-border data center services — to carry out registration or notification procedures when offering services in Vietnam. This requirement increases compliance costs for enterprises operating in the Vietnamese market.	We respectfully recommend that the Ministry of Science and Technology consider simplifying administrative procedures and minimizing the information required from cross-border service providers when operating in Vietnam.
9	Personal data protection	Decree No. 13/2024/NĐ-CP on Personal Data Protection; Law on Personal Data Protection	Decree No. 13/2023/ND-CP on Personal Data Protection, as well as the Personal Data Protection Law, currently requires businesses to notify and submit impact assessment reports when processing personal data or transferring copies of personal data outside the territory of Vietnam. This requirement imposes a significant compliance burden on businesses.	We recommend removing this requirement from the Personal Data Protection Law as well as from any future implementing decrees, in order to reduce compliance burdens and administrative procedures for businesses and investors.
10	Data	Law on Data; Decree No. 165/2025/NĐ-CP detailing and guiding	Article 12 of Decree No. 165/2023/NĐ-CP detailing and guiding the implementation of the Law on Data requires data exporters to prepare and submit an impact assessment dossier to the Ministry of Public Security or	We recommend that the Government clearly distinguish between data that can be considered public or open data

No.	Areas	Regulations	Issues	Recommendations
		the implementation of the Law on Data; Decision No. 20/2025/QĐ-TTg promulgating the List of Important Data and Core Data.	the Ministry of National Defence at least 15 days before processing important data. For core data, data exporters must obtain a “pass” result from the Ministry of Public Security or the Ministry of National Defence for their impact assessment dossier before transferring core data abroad or processing data across borders. This requirement imposes a significant compliance burden on businesses and should only be applied to data belonging to State agencies, rather than to the private sector.	and data that is deemed classified or state-secret information, and that the requirements under Article 12 of Decree No. 165/2023/NĐ-CP should only apply to data categorized as state secrets. Enterprises should be free to transfer or process public data across borders without having to undergo any administrative procedures. Such a regulation would enable domestic businesses to access advanced global technologies and tools more easily, thereby supporting Vietnam’s strong digital transformation efforts and fostering a robust digital economy that contributes significantly to the nation’s overall economic development.

POSITION PAPER OF INVESTMENT & TRADE WORKING GROUP

We appreciate the Government's great effort and initiatives in developing Vietnam economy. We have compiled some high-level proposals to be considered and addressed for a sustainable development of the Vietnamese economy and legal environment.

1. The draft Law on Investment (hereinafter referred to as the “Draft Law”) needs to further address several key issues as follows:

Investment Policy Approval:

We concur with most of the proposed revisions in the draft Law on Investment. In particular, we welcome the narrowing of projects that require investment policy approval and the reduction of business lines subject to conditional investment.

In practice, we have found that the contents of the Investment Policy Approval Decision significantly overlap with those of the Investment Registration Certificate. We therefore recommend that the drafting agency consider merging these two procedures to further streamline the investment process and create a more favorable business environment.

Furthermore, additional guidance or a list of areas affecting national defense and security is needed to determine which projects are subject to investment policy approval under Article 25.9.

Investment Dossier, Order, and Procedures:

We support assigning the Government the authority to provide detailed regulations on investment dossiers, order, and procedures, which would allow for flexible adjustments in response to practical circumstances. In practice, the requirements for consular legalization and translation of documents are time-consuming, labor-intensive, and costly. We respectfully propose that the Government consider simplifying these procedures when issuing the guiding Decree.

Investment Guarantees:

The current legislation lacks an adequate mechanism to attract domestic and foreign private investment in major infrastructure projects in Vietnam. The draft Law has yet to effectively address this bottleneck. It is necessary to consider expanding Article 11 of the Draft Law to authorize provincial and centrally-run city People's Committees to decide on the application of State guarantees or support. Furthermore, the Government should provide detailed regulations on different forms of guarantees to ensure flexibility and diversity, based on the principle of “harmonizing risks and sharing benefits.” State guarantees should also be applicable to privately funded projects not implemented under the Law on Public-Private Partnership.

Investment Protection in Case of Legal Changes:

In practice, investors are often concerned about potential legal changes. The current provisions of the Law on Investment do not provide sufficient assurance to investors. Therefore, we strongly propose amending Article 13 of the current Law on Investment to ensure a more stable and predictable legal environment for investors.

2. Streamlining licensing procedures, especially for sustainable development sectors

We recognize the Government's efforts in boosting sustainable and technological development in Vietnam, including the application of artificial intelligence and automation in production. *That said*, the deployment is hampered by the bureaucratic, and highly complex process of obtaining sub-licenses only applicable to foreign investors pursuant to Decree 09/2018/ND-CP ("**Decree 09**").

Foreign investors wishing to operate and trade in retailing, leasing of equipment, and e-commerce industries must obtain Business License(s) with the Ministry of Industry and Trade (**MOIT**). As from 1 July 2025, per Decree 146/2025/ND-CP, the foreign investors shall need to obtain the Business License from the provincial People's Committees.

Whilst the statutory timeline (depending on the specific activities and application dossier) for obtaining the Business License is 13 working days; the process of obtaining comments and requiring responses from Department of Industry and Trade (**DOIT**) and other departments are not counted towards this timeline. In practice, it may take up to 9 - 12 months to complete.

For certain industries such as the rooftop solar ("**RTS**") industry which utilize the equipment leasing model, the process is even more arduous as the licensing authorities treat equipment leasing as power generation, requiring business lines that do not accurately reflect the nature of the activity. This mismatch leads to inconsistent interpretations across provinces and slows down project implementation. This is especially discouraging to foreign investors who already have to navigate the complex regulatory landscape of the RTS industry itself.

Particularly, although there is no express limitation on foreign ownership of RTS projects, licensing decisions are still subject to provincial discretion on a case-by-case basis. Grid connection approvals by EVN and its subsidiaries also vary across provinces, even for systems intended solely for on-site self-consumption, due to the absence of unified regulations. Furthermore, the legal framework is unclear on whether master power development plan approval is required for RTS systems exceeding 1 megawatt, and some authorities have denied issuing investment licenses due to the lack of centralized, detailed legal guidelines.

We respectfully request the Government to consider and enact regulations that will shorten the statutory timeline for the Business License approvals and ensure compliance for the same.

We also respectfully request the People's Committee to observe the current statutory timeline for the issuance of the Business License, and to be clearer and more specific as to what is expected in the application dossier so as to greatly reduce the number of follow up rounds required.

3. Removing E-commerce Business License under Decree 09

To ensure regulatory consistency and avoid overlapping or conflicting provisions, it is recommended to remove the requirement for Business Licenses for e-commerce service provision under Decree 09.

Specifically, under Decree 09, foreign-invested enterprises ("**FIEs**") that establish an e-commerce website to provide a business environment for traders and other entities to carry out commercial promotion, selling merchandise or service delivery, would be considered offering e-commerce services. Accordingly, such FIEs would be subject to the Business Licenses for e-commerce services.

However, e-commerce activities are already governed by a dedicated legal framework, namely Decree 52/2013/ND-CP, as amended by Decree 85/2021/ND-CP ("**Amended Decree 52**"),

which provides detailed regulations on the development, application, and management of e-commerce platforms. Furthermore, the upcoming Draft E-commerce Law is expected to consolidate and refine these rules.

Keeping the licensing requirement under Decree 09 creates unnecessary duplication and administrative burden for FIEs, especially when the same activities are already regulated under specialized e-commerce legislation. To promote a unified and streamlined legal environment, e-commerce services should be regulated consistently under the e-commerce-specific legal framework.

This approach would help eliminate overlaps, reduce confusion for both investors and regulatory authorities, and enhance transparency. By removing the e-commerce Business License requirement from Decree 09 and aligning all relevant provisions under the e-commerce regulations, Vietnam can improve legal clarity and administrative efficiency, while supporting the growth of digital commerce in a more coherent and investor-friendly manner.

4. Removing local entity establishment requirements for foreign providers of e-commerce platforms

Under Article 27.1 of the Draft E-Commerce Law, foreign e-commerce platform operators are required to establish a legal entity in Vietnam if certain triggers are met. These triggers apply if the platform offers a Vietnamese language interface, uses the Vietnamese national domain name “.vn”, or reaches a defined transaction threshold with buyers in Vietnam. While the goal of this provision is to strengthen regulatory oversight and ensure consumer protection, the requirement is disproportionately strict. It imposes a significant compliance burden on foreign providers.

This mandatory establishment of a local entity could deter foreign businesses from entering or continuing operations in the Vietnamese market, especially startups and SMEs that rely on lean digital models. It may also reduce the diversity of services available to Vietnamese consumers and hinder the growth of cross-border e-commerce. A more balanced approach would be to consider alternative compliance mechanisms, such as representative offices or platform registration obligations, rather than requiring full entity incorporation. This would help Vietnam maintain its attractiveness as a digital economy hub while still achieving regulatory objectives.

5. Accelerating e-Government

We appreciate the current Government's determination and efforts for efficiency and eliminating wastage. Technology, especially cloud computing, can be a powerful tool to streamline administrative procedures, automate processes, and allow for innovative and self serving services. Cloud computing also makes it easier for multiple government agencies to collaborate and exchange information.

While some procedures, like company registration, are already available online, many processes involving foreign investment still require in-person meetings and physical submissions. These include investment registration, M&A approvals, foreign loan registration, establishing representative offices, and obtaining retail Business Licenses for foreign investors. For example, for the M&A approvals, we should rely instead on a single electronic form that can be submitted by the buyer, seller or the company. There should be no requirement to submit any document in hard copy.

In practice, foreign investors must prepare and submit many legalized copies of one type of document in one transaction. Further, local authorities have imposed different validity terms of

legalized and certified documents at their discretion, from 3 to 6 months, in the absence of an explicit regulation on this matter. The preparation of many legalized copies of one document is costly and time-consuming.

We propose the following flexible approaches:

- The modernization of investment procedures should be implemented by increasing the application of online portals and e-submissions: Provide the platform for more government applications and procedures to be completed online, making the process faster and more convenient.
- The local authorities should accept certified true copies of the legalized document instead of requesting the original legalized document (many certified true copies can be prepared for one legalized document). The use of certified copy is in accordance with Article 3.2 of Decree 23/2015/ND-CP, under which certified true copies have the same legal effect as the original copy.
- The local authorities should not impose a strict limitation on validity term of legalized and certified documents for so long as their contents remain unchanged. The reason is that enterprises and investors shall already take responsibility before the law for the legality, truthfulness and accuracy of the information declared in documents submitted to the authorities in accordance with Article 4.1 of Decree 168/2025/ND-CP and Article 6.1(a) of Decree 31/2021/ND-CP.

By implementing these proposed changes, Vietnam can create a more attractive and enabling legal framework that fosters foreign investment, contributing to sustainable economic development and creating a win-win situation for both foreign investors and the Vietnamese economy.

6. Unclear practical possibility for the application for Investment Registration Certificates to be duly digitally signed

Decree 239/2025/ND-CP (effective on 3 September 2025) amending Decree 31/2021/ND-CP guiding the Investment Law stipulates that when carrying out administrative procedures under the provisions of the Investment Law and Decree 31/2021/ND-CP, investors must submit electronic copies of documents having digital signatures in accordance with the law on electronic transactions with the same legal value as paper documents. In other words, in addition to the hard copy application (as normally required), investors will now have to additionally submit electronic copies of documents with digital signatures.

As for background, the Law on E-Transactions 2023 has the following concepts:

- *An e-signature* is a signature created in the form of electronic data attached or combined logically with a data message to confirm the signatory and confirm the subject's acceptance of the data message.
- *A digital signature* is an e-signature that uses an asymmetric key algorithm, including a private key and a public key, in which the private key is used to sign and the public key is used to verify the digital signature.
- *An e-signature certificate* is a data message that confirms that the certified agency, organization or individual is the signer of the e-signature.

- A *digital signature certificate* is an e-signature certificate for digital signatures.

E-signatures are classified into:

- *Specialized e-signatures* are e-signatures created by agencies and organizations and used exclusively for the activities of those agencies and organizations in accordance with their functions and tasks (i.e., for both public and private sectors).
- *Public digital signatures* are digital signatures used in public activities and secured by public digital signature certificates (i.e., for private sectors).
- *Specialized public digital signatures* are digital signatures used in public work activities and secured by specialized public digital signature certificates (i.e., for public sectors).

Foreign e-signatures and foreign e-signature certificates in Vietnam (in general) are recognized in Vietnam if:

- Foreign e-signatures and foreign e-signature certificates comply with standards and technical regulations as prescribed by Vietnamese law or recognized international standards or international treaties to which Vietnam is a member;
- Foreign e-signatures certificates are formed based on fully authenticated identification information of foreign organizations.

Circular 06/2024/TT-BTTTT stipulates that in order to be recognized foreign e-signatures and foreign e-signature certificates (in general) in Vietnam:

- Organizations submit applications for recognition to the Ministry of Science and Technology (**MOST**) (National Electronic Certification Service Provider - **ROOTCA**) in person / by post / online (via National Public Service Portal), including:
 - + Application form according to Form No. 03 of Circular 06/2024/TT-BTTTT.
 - + Documents and technical documents proving that foreign e-signatures and foreign e-signature certificates comply with standards and technical regulations as prescribed by Vietnamese law or international treaties to which Vietnam is a member.
 - + Foreign e-signature certificates requested for recognition in Vietnam must have the minimum information fields as prescribed by Vietnamese law to serve the purpose of checking the status of e-signature certificates on the trusted service certification system.
 - + The following documents prove that the foreign e-signature certificate is formed based on the authenticated identification information of the foreign organization:
 - For Vietnamese organizations: Decision on establishment or decision on regulations on functions, tasks, powers, organizational structure or business registration certificate or investment certificate and citizen identification card or identification card or identification certificate or passport of the legal representative of the organization; or use of the organization's e-identification account.
 - For Vietnamese individuals: ID card, e-ID or identification certificate or passport or use of level 2 e-identification account.

- **For foreign organizations: Document of competent Vietnamese authority permitting lawful operation in Vietnam.**
- For foreign individuals: Passport with visa or document of competent Vietnamese authority confirming lawful residence in Vietnam.
- In case of authorization to use foreign e-signatures and foreign e-signature certificates, the authorized organization or individual must have a written authorization permitting the legal use of the e-signature and the subscriber information issued with the foreign e-signature certificate must be consistent with the information in the authorization or permission document.
- + Notarized translation of the license or certificate proving that the foreign e-signature certification service provider issuing the foreign e-signature certificate requesting recognition in Vietnam is established and legally operating in the country of registered operation.
- + Individuals and organizations have the right to choose to submit a copy from the original book, a certified copy, or submit a copy accompanied by the original for comparison or provide authenticated electronic data. Documents issued, recognized or certified by competent foreign agencies or organizations must be legalized (except in cases of exemption) and notarized translated into Vietnamese.
- Within 30 days from the date of receipt of a complete and valid dossier, ROOTCA shall coordinate with the MPS to review the dossier (which may be extended to 65 days in case of information verification). If the conditions are met, the MOST shall issue a certificate of recognition, and ROOTCA shall update the recognized foreign e-signature certificate in the trusted list and publish it on the Trusted Service Certification System. If the dossier does not meet the conditions, the Ministry of Science and Technology shall notify and state the reasons.

The term of recognition of foreign e-signatures and foreign e-signature certificates in Vietnam is 5 years but not exceeding the validity period of such e-signature certificate. In case of changes in information, the organization shall report the change and request re-recognition.

Beside the long and complex procedure to for foreign investors to get their foreign e-signatures and foreign e-signature certificates recognized in Vietnam, the real issue is that, in the recognition dossier, there must be documents proving that the foreign e-signature certificate is formed based on the authenticated identification information of the foreign organization. For foreign organizations, it is the document of the competent Vietnamese authority allowing lawful operation in Vietnam. However, at the stage of applying for an Investment Registration Certificate (“IRC”), the foreign organizations are unable to have such a document to submit. This will cause the unnecessary, and currently unresolvable, obstacles for foreign investors submitting IRC application in Vietnam.

Furthermore, according to the authority, the ROOTCA website (<https://rootca.gov.vn/>) will publish a list of foreign e-signatures and foreign e-signature certificates recognized in Vietnam. However, up to now, the ROOTCA websites have not published this list. Given the troublesome licensing procedure, it is unclear on whether there are any foreign e-signatures and foreign e-signature certificates successfully recognized in Vietnam.

We suggest the Government, the MOF and the MOST to provide clear guidance on how this new requirement on electronic copies of documents with digital signatures can be handled/managed given the aforementioned conflict. This will help reinforce the belief of foreign investors and facilitate the investment procedures in Vietnam, which is already time-consuming.

7. Improving land and real estate laws

We recognize the efforts made to improve the regulatory framework around investments and activities in relation to land and real estate and projects utilizing land usage; and are encouraged by the issuance of the amended Law on Land and new Law on Real Estate Trading and Law on Housing.

We understand that there are certain set back with respect to the application and determination of the land use fee/land rental figures under the Law on Land 2024. Fundamentally, the set back stems from the inadequate infrastructure for land value database and the lack of statistics or models to appropriately capture factors affecting the land value.

Whilst we appreciate that the Government has proposed a draft amendment to the Law on Land 2024 to address set backs of Law on Land 2024 implementation including issues on land valuation; we suggest complete reforms of the land regime using the bottom-up approach; involving the creation of a national database and an experts committee for land value appraisal.

In general, we hope to see greater transparency and efficiency around the process of land clearance and compensation, site handover and for putting the land into usage. We also hope to see greater harmonization amongst various legal instruments for land used project implementation including the Law on Land, Law on Investment, Law on Bidding and Law on Auction. We hope that the implementation of these new laws will create more legal certainty around mixed used development, condotels, and projects which take on separate floors as opposed to the whole building.

Finally, with significant number of projects and industrial parks having ten to fifteen years of land tenure left, it is important to have plans and/or guidance as to what happens to these projects at the end of the land tenure.

8. Listing of foreign invested enterprises

It is encouraging to see certain large sized foreign invested enterprises looking to do an Initial Public Offering (“IPO”) on the Vietnam's stock exchanges. This shows confidence in Vietnam's stock market and commitment to the Vietnam economy.

On one hand, it is good that Vietnam does have a comprehensive legal framework around the IPO and listing conditions and process; however, in practice, it appears that it is disproportionately time-consuming and uncertain when it is a foreign invested enterprise undertaking such process.

We encourage the Government and the State Securities Commission to guide and facilitate the IPO process of foreign invested enterprises in a way that is non-discriminatory and transparent. We suggest reducing the timelines/complexity of doing IPOs and allow the processes to be done in parallel to boost the investors’ confidence and promote Vietnam’s capital market development.

9. New VNeID procedure for enterprises

Under Decree 69/2024/ND-CP (“**Decree 69**”), from 1 July 2025, a company is required to register an e-ID Vietnam account (Organizational Digital Identity) to proceed with online administrative procedures including tax declaration with relevant authorities.

- This means the legal representative of a company will proceed with the registration for the e-ID Vietnam account for the company via his/her VNeID account. As conditions, (i) the legal representative must have a Level-2 VNeID account; and (ii) the information in the ID card of the legal representative recorded in his/her VNeID account and that in the Enterprise Registration Certificate of the company must be consistent.
- Alternatively, the legal representative can authorize another person in writing to perform the registration. The authorized persons must also have a Level-2 VNeID account.
- The timeline for registration is from 3 – 15 working days and the result will be sent to the applicant’s VNeID account.

Foreign legal representatives are eligible to apply for a Level-2 VNeID account only if they reside or temporarily reside in Vietnam (holding the temporary residence card). Additionally, according to current practice, the registration for a Level-2 VNeID account for foreigners must be done in person at an immigration management office or provincial police office. This process can be time-consuming and may place an undue burden on private sector resources. Furthermore, practical challenges and inconsistencies at the local authority level—stemming from the absence of clear procedures—have led to application delays, even when all required documentation is provided.

Additionally, Decree 69 stipulates that the legal representative can authorize another person in writing to perform the company’s e-ID account registration. However, certain implementation aspects remain unclear. For example, it is ambiguous whether, when the company has multiple legal representatives, the authorization must be granted by all legal representatives of the company or if approval from a single legal representative is sufficient.

In light of these issues, we recommend that official guidance be issued to support enterprises in navigating the e-ID registration process more effectively, including clarification on procedural steps and required documentation. Additionally, we strongly advocate for allowing foreigners holding long-term visas (but without temporary residence cards) to register for VNeID, as some are nearing the end of their assignments and applying for a residence card may be costly and time-consuming.

10. New administrative reforms leading to overload capacity of authorities

Vietnam has been going through a nationwide administrative reform since March 2025. This reform encompasses both State authorities and administrative units.

These reforms, along with the reduction of staff in State authorities, lead to the overloaded capacity of authority officials. This can be reasoned by the increasing volume of works as combined from many administrative units (e.g., the work of Ho Chi Minh City is now added from the old Binh Duong and Vung Tau Provinces) and many authorities (e.g., the work of the Ministry of Finance (**MOF**) is now added from the old Ministry of Planning and Investment).

We encourage the Government to consider the overload capacity of authority officials and develop a suitable human resources strategy to sufficiently meet the demand of the citizens.

11. Special investment procedures for certain types of projects

We appreciate the Government's efforts in issuing Decree No. 19/2025/NĐ-CP ("**Decree 19**") dated 10 February 2025, which introduces special investment procedures under the Investment Law. This is a progressive initiative that, if implemented effectively, could help Vietnam attract strategic investment in high-tech and innovative sectors.

We recognize that there are still important issues to be addressed as Decree 19 currently focuses only on the initial phase of investment registration, while the implementation and completion phases remain unclear. This lack of clarity creates uncertainty for both investors and regulatory authorities. To ensure smooth implementation of projects under the special investment scheme, we recommend developing a clear roadmap that outlines each stage of the investment process, from project preparation to operational deployment. This roadmap should specify which procedures are exempted and which must still be carried out, along with the required documentation. Such clarity would help investors plan effectively and support consistent oversight by authorities.

In addition, it is important to review and adjust related legal provisions such as provisions on Land Law for projects utilizing the land to ensure alignment with the special investment framework. Without this coordination, there is a risk of overlap or contradiction between Decree 19 and other sectoral regulations. A harmonized legal approach will be essential to realizing the full potential of the special investment scheme and positioning Vietnam as a competitive destination for high-value investment.

12. Data center projects and regulatory obstacles

During the process of operating a data center, overseas data transfers are essential to enable global operations and ensure data access from multiple locations. By splitting data across multiple data centers in different countries, companies can reduce latency, improve quality, ensure redundancy and data backup.

However, despite strong government commitment, current regulations in the Data Law and its guiding Decree 165/2025/ND-CP ("**Decree 165**") pose significant barriers for foreign investors, particularly regarding cross-border data transfer impediments. Specifically, Article 12 of Decree 165 mandate complex risk assessments and approvals, which may deter international data center operators and hinder Vietnam's digital growth.

Complex impact assessments & approvals: Companies must submit impact assessment dossiers to the Ministry of Public Security (**MPS**) or Ministry of National Defence (**MND**) before transferring core data across borders. For core data, companies must obtain approvals from the MPS or MND. This adds significant administrative burdens and delays.

These requirements could:

- Cause administrative burdens and overloading of human resources for both the private and public sectors to apply for approval/prior notification and to review such approval/receiving prior notification. It is also unclear how the MPS will handle the large volume of impact assessments that need to be reviewed and approved to ensure that businesses' cross-border data transfers go smoothly.

- Limit the implementation of the Government's orientation to create favorable conditions for businesses to enter the new digital era, especially encouraging the development of high technology and engineering.
- Limit the competitiveness of Vietnamese enterprises in their efforts to develop and to reduce operating costs, while affecting Vietnam's FDI attraction in the fields of high-tech, digital, and GenAI.
- Overlap with the provisions in the Law on Personal Data Protection and Decree 13/2023/ND-CP, creating redundant compliance requirements.

Major investors are still adopting a wait-and-see approach, delaying expansion plans due to stringent regulations, while regional competitors offer more accommodating frameworks. For example, compared to Vietnam, China's data law has created important mechanisms for transferring data abroad through rules such as the Overseas Data Transfer Security Assessment Mechanism. This mechanism aims to clarify and provide specific guidance for companies transferring and processing data abroad.

With Singapore and Malaysia facing energy and land shortages, Vietnam has a golden opportunity to attract investment in various sectors (such as data center investment). However, to seize this opportunity, Vietnam needs to address the key concerns of hyperscale service providers, especially in terms of data law. Without suitable regulatory adjustments, Vietnam risks losing out on billions in significant investments opportunities in data center field, affecting its economic growth, technological advancements, and digital infrastructure objectives.

It is noted and encouraging to see that Vietnam aims to establish itself as a global digital technology hub by 2045, with data center investments playing a crucial role. We also understand the State's concerns on national defence and security. Nonetheless, to remain competitive on the regional market, we suggest the Government and the MPS to consider refining the Data Law and its guiding regulations, ensuring they align with global standards while supporting both national security and business operations.

13. Removing the concept of Direct Investment Capital Account (“DICA”)

Currently, Vietnamese laws require FIEs to open a DICA to receive capital from the foreign investors. We understand that DICA only exists for statistical purposes and monetary control but this has been causing unjustified complexity in transactions.

Therefore, to facilitate the transactional process and reduce the administrative burden for investors, we suggest having only one general concept of Indirect Investment Account (“IIA”) instead of DICA. Additionally, time-consuming administrative burden for inward and outward transfers from DICA/IIA should be reduced.

14. Revising the Competition Law to facilitate transactional process

Under the Competition Law, a transaction must be notified to, and subject to an approval issued by the Vietnam Competition Commission (VCC) if (i) it is an economic concentration, and (ii) any of the notification thresholds provided in the laws are met.

The forms of economic concentration include:

- merger of companies;

- consolidation of companies;
- acquisition of a company;
- joint venture between companies; and
- other forms of economic concentration as stipulated by law.

Thresholds for merger filing provided in laws are as follows:

- the total assets in the Vietnamese market of any of the seller, buyer, and target (on a group-consolidated basis), reaches VND 3,000 billion (approximately USD 114 million) or more in the financial year preceding the economic concentration;
- the total revenue in the Vietnamese market of the seller, buyer, and target (on a group-consolidated basis) reaches VND 3,000 billion (approximately USD 114 million) or more in the financial year preceding the economic concentration;
- the transaction value of the proposed transaction is VND 1,000 billion (approximately USD 38 million) or more (not applicable to off-shore transactions); or
- the combined market share of the buyer and the target (on a group-consolidated basis) is 20% or more in the relevant market in the financial year preceding the economic concentration.

We suggest removing the transaction value threshold and clarifying how the revenue/assets etc. test work. Additionally, transactions in non-sensitive sectors should be allowed to adopt the merger filing on a voluntary basis. Having said this, the State monitoring can still be ensured by maintaining VCC ability to investigate any transaction.

15. Revising the Securities Law to facilitate transactional process

Currently, the Vietnamese securities laws do not recognize the concept of conditional Public Tender Offers (“PTOs”) and squeeze-outs.

For context, under Vietnamese laws, a PTO is a procedure for registering and publicly announcing the intention to purchase part or all of the shares or voting fund certificates of a public company or a public securities investment fund in regulatory cases. The tender offer typically is set at a higher price per share than the company’s current stock price, providing shareholders a greater incentive to sell their shares.

In other jurisdictions, for example, in UK, Hong Kong, Singapore etc, voluntary PTOs can in general be subject to conditions. Mandatory PTOs, while must not be subject to conditions, still have exceptions, such as in case of good cause (e.g. if the change of control requires official authorization). The current practice in Vietnam is that conditions, even investment conditions like anti-trust approval, need to be satisfied before launching the PTO. However, this seems contrary to international best practice and causes disclosure issues and other complexities. It would be better for the market to adopt conditional PTOs as they allow offers to be announced quicker to the market and there is more transparency as to the requirements of the offer.

The purpose of a PTO is for the acquirer to acquire control of the company and a 100% PTO is designed for the acquirer to bring the target company within their group. The squeeze-out mechanism grants dominant shareholders, holding a very large majority (e.g. 95% of all other shares), the right to purchase the shares of minority shareholders at a fair price, thereby expelling them from the company. The primary aim is to prevent decision-making deadlocks caused by minority shareholders and enhance the company’s operational efficiency. Therefore, a company’s right to squeeze-out shareholders is critical for ensuring agility and effectiveness in large-scale corporate structures. Many countries have recognize this concept, namely the US,

UK, Hong Kong, Singapore France, Germany, etc. Under Vietnamese enterprise laws, the squeeze-outs concept does not exist. The only available option under Vietnamese law is to continuing the dilution.

We suggest introducing the concept of conditional PTOs and squeeze-outs into the relevant laws. This will create a more comprehensive and favourable legal framework for investors in Vietnam, along with the alignment with international practices.

16. Streamlining requirements and procedures related to the quality of products and goods before putting them into circulation on the Vietnam market

Currently, the MOST is in the developing process of a Decree detailing the implementation of a number of articles of the Law on Product and Goods Quality 2007 and the Law amending and supplementing the Law on Product and Goods Quality 2007, which was adopted in June 2025 and takes effect on 1 January 2026 (**“Draft Decree guiding the Law on Product and Goods Quality”**).

Regarding e-labels, the Draft Decree guiding the Law on Product and Goods Quality requires registration and approval for electronic labels, which is seen as unnecessary and a barrier to business. The requirement for country-specific QR codes (as Vietnam is proposing) would not simplify things for consumers and is not in line with international practices. We recommend that the Draft Decree be revised to allow the use of electronic labels without the need for registration or approval. Additionally, e-labels should be permitted to fully replace physical labels if they fully display the required information.

Currently, while electronic labels are permitted for some content, the conformity mark itself is not allowed to be an electronic QR code. The Government can consider allowing the use of an electronic conformity mark as a substitute for a physical one. This would simplify enforcement, reduce printing costs, and allow consumers to easily access product certification information.

The Draft Decree guiding the Law on Product and Goods Quality has introduced the concept of digital passport of products (**“DPP”**). This is a new concept globally, mainly being piloted in the Europe. Its implementation is complex and depends on factors like standardization, system architecture, privacy, and access rights. Accordingly, we suggest that the use of DPPs should be voluntary. Vietnam should continue to monitor how other countries, particularly in Europe, implement DPPs. Additionally, the Draft Decree should remove the requirement for "minimum content" in a DPP. This would allow the necessary information for each specific product to vary according to its nature, while also avoiding redundancy with other requirements in the decree.

Another point is that the Draft Decree guiding the Law on Product and Goods Quality mandates traceability for IT products via serial numbers, which may be unnecessary and burdensome. Products manufactured in an Original Equipment Manufacturer (**“OEM”**) model have consistent quality regardless of the production location. Tracking the origin of every electronic product, which can have thousands of components, would be an immense administrative and financial burden on businesses. We highly recommend that IT and communication products be exempt from these traceability requirements because they are considered redundant and create an unnecessary administrative burden.

Additionally, the Draft Decree guiding the Law on Product and Goods Quality requiring the origin of raw materials and components to be listed on packaging is problematic for goods assembled in Vietnam and then exported. This level of detail is not typically required by the laws of importing countries. Implementing this would require companies to create new traceability

systems to track the origin of every single component, which would be a significant cost and logistical challenge. This would also force companies to prepare different labels for products with different component origins, causing disruptions and increasing costs. We recommend that the Draft Decree be abolished because it adds complexity and cost for businesses. Additionally, exporters should be allowed to follow the origin labeling requirements of the importing country for goods exported from Vietnam.

Regarding the product and goods quality inspection process, there is no automatic exemption mechanism for subsequent identical shipments after an initial successful inspection. This causes delays in customs clearance. In practice, the requirement to have a customs declaration number before registering for quality inspection adds a one to three-day delay to the process. Accordingly, to address these practical challenges, we suggest that the Government implement an automatic exemption for similar batches after a company has had three consecutive shipments with the same product details and ensure the customs declaration number is a final customs clearance step, not a prerequisite for quality inspection registration.

Finally, current Vietnamese law prohibits the import of used and refurbished goods. This is in conflict with Vietnam's commitments in the CPTPP and EVFTA trade agreements. The document argues that allowing refurbished products can promote sustainability and make products more affordable for consumers. We recommend that the Government review and amend the relevant regulations to allow businesses to import and sell refurbished products in the Vietnamese market.

POSITION PAPER OF INFRASTRUCTURE WORKING GROUP

Most critical issues for successfully developing and financing large scale power projects

1. LNG to power

(i) *Qc*

Under current laws, Qc is at least 65% and applicable to the project's loan tenure but not exceeding 10 years after COD, provided that COD is achieved before 1 January 2031. Qc is now proposed to be at least 75% under the draft Resolution of the National Assembly in resolving obstacles on the national energy development between 2026 - 2030 (the “**Draft Resolution**”).

Investors are proposing Qc to be at least 85% - 90% and applied for the entire term of PPA (up to 25 years). In addition, minimum dispatch should be guaranteed to make Qc work (in other words, Qc does not work in case of no dispatch).

(ii) *Foreign exchange guarantee of 30:70*

The Draft Resolution provides for a FX guarantee regime for BOT projects only, i.e. guarantee for conversion to USD of 30% revenue, after deducting VND expenditures, and support for conversion to USD of the remaining 70%.

The investment laws generally provide for State protection measures, including those with respect to FX convertibility guarantee. Investors are proposing that IPP projects are entitled to the same FX guarantee regime because international project financing requires the same conditions for large scale power projects, regardless in the form of BOT or IPP projects.

(iii) *Termination payment*

The Draft Resolution provides for an early termination mechanism for BOT projects only, i.e. investors and MOIT will negotiate the termination events and respective termination payments following the principles under the successful BOT power project precedents, and termination payments in USD.

Investors are proposing that IPP projects are entitled to the same termination mechanism as that applicable to BOT projects under the Draft Resolution.

(iv) *Deemed COD*

Deemed COD is a mechanism under which the COD is deemed to be achieved and the project company is entitled to receive payment for the capacity charge and other relevant costs where the power project is ready for commissioning but cannot be commissioned to achieve COD for reasons other than the project company's defaults (EVN's defaults, government events, or non-governmental force majeure events affecting EVN).

Neither the Electricity Law nor the Draft Resolution addresses this point. Investors are proposing that a deemed COD mechanism is covered in the Draft Resolution for application to both BOT and IPP projects.

(v) *Change-in-law protection*

The investment and PPP laws provide for a general protection mechanism against changes in laws and policies. Investors are proposing that a change-in-law protection mechanism (including the specific events of changes in laws and relevant protections, i.e. compensation, tariff adjustment, term extension) is covered in the Draft Resolution for both BOT and IPP projects.

(vi) *Governing law and dispute resolution*

The Draft Resolution provides that, for BOT projects the BOT companies shall operate in compliance with Vietnamese law and in case of disputes related to interpretation and application of the project agreements (including the BOT contract, GGU, MOIT A&C and PPA, and excluding the LLA), the parties can choose a foreign law as the governing law. Investors are proposing that the Draft Resolution allows IPP projects to be entitled to the same treatment.

As to dispute resolution, it is being proposed that the Draft Resolution allows both BOT and IPP projects to choose foreign or international arbitration as the dispute resolution forum for PPA and other project agreements.

2. Offshore wind

(i) *Qc*

For offshore wind selling electricity to the national grid, Qc is currently at least 80%, applying for the project's loan tenure but not exceeding 15 years unless otherwise agreed between the project company and EVN. This mechanism applies to projects which shall obtain investment policy approval ("**IPA**") before 1 January 2031.

Under the Draft Resolution, the Qc is at least:

- (a) 90% for the project's loan tenure but not exceeding 20 years, applicable to projects which shall obtain IPA before 1 January 2030 and achieve COD before 1 January 2032; or
- (b) 80% for the project's loan tenure but not exceeding 20 years, applicable to projects which shall (i) obtain IPA before 1 January 2032 and achieve COD before 1 January 2036, or (ii) obtain IPA before 1 January 2030 and achieve COD between 1 January 2032 and 1 January 2036.

Investors are proposing Qc to be at least 90% - 100% and applied for the entire term of PPA.

(ii) *FX guarantee 30:70, termination payment; deemed COD; change in law protection; governing law and dispute resolution* - same as those of LNG to power projects discussed above for the purposes of international project financing.

3. Grid connection assurance

Under the Electricity Law, the State holds monopoly in "**investment in [...] important transmission power grids with a voltage of 220 kV or higher**" and "**operation of transmission power grids, except for transmission power grids invested and built by non-state economic sectors**". As such, it can be understood that the private sector can develop (i) non-critical transmission power grids from the voltage level of 220kV or more and (ii) the transmission power grid in general over 110kV to 220kV. However, there are no

specific regulations on the mechanism for private investors to develop and operate power grid projects.

It is proposed to supplement the mechanism to allow private investors to (i) invest in transmission grid projects (either separately or associated with power source projects) and (ii) transfer such grids to 100% SOEs to operate, collect transmission fees and return capital to private investors.

ANNEX: OTHER DETAILED ISSUES

No	Issue	Recommendations	Responsible authorities
1.	Investment environment stability The IWG welcomes new policies adopted by the Vietnamese government in the first half of 2025. From the boundary mergers of provinces to restructuring of central and local authorities and bold policies for promoting private investments, those new policies are expected to pave the way for stronger economic development in Vietnam in the next decade. For those new policies to be successful, various institutional and personnel changes must be carefully considered and efficiently implemented. As political and legal stability and predictability are critical to the success of long-term infrastructure projects and investors' confidence in investment environment of Vietnam, the evolving policies and institutional restructuring have caused challenges and delay in project licensing, development and financing over the past months.	• <i>Strengthening public-private dialogue platforms.</i> Regular forums between government and investors would allow for open discussion of policy impacts and operational challenges. • <i>Ensuring regulatory stability for ongoing projects.</i> There should be interim legal safeguards for ongoing and planned projects, ensuring they are not disrupted by sudden policy shifts. Publishing clear roadmaps and timelines for institutional changes would also help investors anticipate and adapt to reforms, reinforcing predictability in the investment environment. • <i>Capacity building and personnel realignment</i> must be prioritized. Training programs should be rolled out to equip officials and investors with knowledge of new regulatory frameworks, while experienced personnel should be strategically deployed to address potential issues during transition period. • <i>Monitoring and evaluation framework.</i> There should be regular assessment of the impact of new policies on infrastructure development and investment climate. Tracking key performance indicators such as licensing turnaround time and investor satisfaction would provide valuable insights and guide future improvements.	General note
2.	Prioritising and allocating resources to strategic projects and sectors	To ensure effective resource allocation, we recommend the following:	The Government

No	Issue	Recommendations	Responsible authorities
	The IWG welcomes the Government's bold policies and strategic direction to promote investment in infrastructure projects during the first half of 2025, particularly its commitment to accelerating the disbursement of public investment capital. Given the country's substantial infrastructure development needs and the constraints on available capital and resources, it is imperative that prioritising speed and volume should avoid diverting attention from critical objectives.	- Public investment should be directed toward key infrastructure projects that face challenges in commercial viability due to uncertain revenue streams and significant exposure to country-specific risks. These include road transportation networks and airports that are essential for improving connectivity with remote regions and fostering economic development in underserved provinces. - Private and foreign investment should be actively encouraged and facilitated to complement public funding, especially in sectors where risks can be mitigated through market-based solutions and where international expertise is beneficial. Priority sectors include power generation, industrial real estate, international airport infrastructure, and global logistics hubs and seaports. - Joint ventures between state-owned enterprises and experienced foreign or private investors should be promoted to diversify capital sources and leverage international expertise and financial capacity. These partnerships can enhance project quality, efficiency, and long-term sustainability. - Concrete actions are needed to establish a reliable and stable investment environment that builds investor confidence and supports long-term commitments to Vietnam's infrastructure development.	
3.	Challenges in competitive Bidding for Investor Selection in Infrastructure Projects Competitive bidding, when effectively implemented,	To ensure the competitive bidding process effectively supports infrastructure development in Vietnam, the	Ministry of Finance, Ministry of

No	Issue	Recommendations	Responsible authorities
	offers Vietnam a robust mechanism to identify and select the most capable investors for its critical infrastructure developments. However, since the introduction of mandatory competitive bidding under Decree 115/2024/ND-CP in September 2024, the rollout has encountered several challenges, leading to substantial delays in the advancement of urgently needed greenfield projects. Key Implementation Challenges: ● <i>Shift in project preparation responsibility.</i> Previously, investors played a proactive role in initiating and financing pre-feasibility studies and project proposals for government review. These preparatory activities, especially for large-scale or technically complex projects, require significant financial and technical resources. Under the new framework, these responsibilities have shifted to local authorities, who often face resource constraints and must juggle multiple roles. As a result, many authorities have struggled to prepare project documentation and bidding materials adequately. ● <i>Time-intensive tender preparation.</i> Developing a comprehensive and appropriate tender process, including the project pre-feasibility study, the preliminary environmental impact assessment and requests for proposal (<i>RFP</i>) documents, is time-consuming, especially when there is lack of precedents to guide stakeholders and the	following adjustments are recommended: ● <i>Targeted application of competitive bidding.</i> Competitive bidding should be reserved for a limited set of projects where: ○ genuine competition among investors exists; ○ authorized state agencies are provided with adequate resources and technical support to conduct thorough project preparation; and ○ sufficient time is available to properly design and execute the tender process. ● <i>Greater discretion for state authorities.</i> State agencies overseeing the bidding process should be granted flexibility to tailor bidding criteria and procedures to suit the specific needs of each project and the characteristics of the anticipated pool of bidders. This would help ensure relevance, efficiency, and fairness in the selection process. ● <i>Incentives for early-stage investors.</i> Investors who proactively invest in project preparation—such as conducting feasibility studies or technical assessments—should be eligible for appropriate incentives during the bidding process. This would encourage early engagement and reduce the risk of under-prepared tenders. ● <i>Flexibility in bidding documentation.</i> The legal framework should explicitly allow both authorities and bidders to modify the standard bidding templates prescribed by law. This flexibility is essential to accommodate the unique requirements of each project and the diverse corporate and	Industry and Trade and relevant line Ministries and major provincial People's Committees

No	Issue	Recommendations	Responsible authorities
	abovementioned constraints faced by the authorities. This has further delayed the launch and execution of new infrastructure projects. ● <i>Investor reluctance due to uncertainty.</i> The lack of clarity and predictability in the tender process has discouraged serious investors from committing resources to early-stage project development, fearing sunk costs without guaranteed participation. ● <i>Rigid legal framework and restrictive interpretations.</i> The prescriptive nature of the competitive bidding regulations often fails to accommodate the diverse needs of specific projects or the varied structures of potential investors. For example: ○ Standardised criteria and templates do not reflect the diversity of corporate and financial arrangements seen in international markets. ○ Restrictive interpretations - such as requiring the winning bidder to directly hold shares in the project company rather than through a subsidiary - pose commercial and financial management challenges for major investors, who typically use subsidiaries for investment structuring. ● <i>Risk of non-compliance or inaction.</i> Faced with procedural impracticalities, stakeholders may resort to workaround solutions that risk non-compliance, or alternatively, choose to delay action altogether - both of which contribute to project uncertainty and stagnation.	financial structures of potential investors.	

No	Issue	Recommendations	Responsible authorities
4.	Investment funds' participation in infrastructure projects There is increasing interest of private equity funds in infrastructure projects, which can offer an important source of capital to support Vietnam in developing its much-needed infrastructure facilities. However, the current legal framework, especially the legislation for competitive bidding for investor selection have materially impacted the eligibility of investment infrastructure funds. • <i>Financial criteria:</i> The requirement for minimum charter or equity capital of bidders under current tender legislation is not relevant to investment fund investors. The capital of investment funds is contractually committed by their “partners” when they subscribe for the funds and will only be contributed by the partners after the investment decision is made. Requiring investment funds to provide evidence of their charter capital or equity capital is not practicable. • <i>Technical criteria.</i> Investment funds are managed by the general partners/fund managers. The same general partner and fund manager can manage multiple funds committed by different limited partners. The fund managers will set up different special purpose vehicles to invest in different projects. The current template bidding documents under the law are not clear whether a fund manager can use experience in projects invested by other funds it manages to demonstrate its technical	The legislation on competitive bidding and investment procedures should give flexibility to the authorised State agencies to design the selection criteria and should include clear a catch-all provisions allowing bidders and interested investors the flexibility to demonstrate their capabilities depending on their corporate and business operation models.	Ministry of Finance

No	Issue	Recommendations	Responsible authorities
	capability. • <i>Investment entity.</i> As discussed above, it is also impractical for investment fund managers to be required to hold shares in the project companies directly after being awarded the project. • <i>Restrictions on transfer.</i> The restrictions on transfer of interest in projects (please see below) have also limited liquidity of the investments, a priority of investment funds.		
5.	Capital liquidity challenges • Capital liquidity is essential for infrastructure investment, especially in uncertain global markets. In Vietnam, strict regulations on transferring investor interests aim to protect national infrastructure, but they can also hinder investment flexibility and delay exits. • To strike a better balance, investor credibility should be ensured through licensing and compliance tools, rather than rigid transfer restrictions. This approach maintains oversight while allowing more fluid capital movement. • Liquidity is especially critical for investment funds, which must return capital to their investors within set timelines. Restrictions on exits can conflict with these obligations and discourage future investment. • Also, with growing pressure to shift toward sustainable assets, many investors need flexibility to divest from fossil fuel projects. Facilitating exits from	• The IWG welcomes provisions of new Decree 225/2025/ND-CP which have relaxed certain restrictive requirements applicable to transfer of interests in projects. • Besides changes in law, it is equally important for regulators to recognize the critical role of capital liquidity and take proactive steps to approve and facilitate responsible capital transfer transactions. This will enhance Vietnam's appeal to international investors and lenders.	Ministry of Finance and other line Ministries

No	Issue	Recommendations	Responsible authorities
	mature, successful projects enables reinvestment into new projects in Vietnam. Encouraging responsible exits not only supports investor needs but also helps recycle capital into priority sectors, boosting overall investment flow and infrastructure development.		
6.	Domestic natural gas projects The revised Power Development Plan VIII prioritises the development of domestic gas-to-power projects to ensure national energy security and achieve economic growth targets. Despite major discoveries of natural gas in Vietnam, major projects such as Block B or Blue Whale continue to face significant delays. The primary challenges are structuring the route to market and pricing mechanism. Successful development of those gas assets will largely depend on the successful negotiation of offtake transactions with downstream projects – many of which are state-owned projects - whose success will in turn be dependent upon the long-term electricity offtake agreements with EVN. Without a balanced risk allocation amongst those stakeholders and predictable long-term pricing and offtake arrangements, the prospects of domestic gas projects will remain dim.	The Vietnamese government—particularly the MOIT, which regulates both the oil & gas and power sectors— should work closely with key stakeholders such as PVN and EVN to establish a unified and actionable vision for the development of upstream and downstream projects. Immediate and coordinated guidance is needed on critical commercial frameworks, including: - gas pricing mechanisms for upstream sales, - electricity offtake arrangements for downstream power projects, and - risk allocation among the gas supplier, power generator, and the ultimate electricity offtaker (EVN). Without clear direction on these foundational elements, project developers and investors will continue to face uncertainty, undermining the viability of domestic gas-to-power projects and delaying progress toward Vietnam’s energy security and economic growth goals.	Ministry of Industry and Trade
7.	Feed-in-tariff in renewable energy projects Since Q2 2025, pending the official guidance of the government, EVN has been withholding payment of the feed-in-tariff (FIT) to many operational wind and solar	The IWG urges the Government to promptly issue final instructions to resolve the ongoing FIT dispute in a manner that ensures compliance with applicable law and upholds fairness and reasonableness for investors and lenders involved	Prime Minister, The Government, Ministry of

No	Issue	Recommendations	Responsible authorities
	power projects. EVN has cited alleged non-compliance with certain regulatory requirements—particularly the absence of construction completion acceptance documents at the time of commercial operation—as the basis for its actions. However, the affected projects were expressly deemed eligible for FITs under the legislation in effect at the relevant time and had entered into power purchase agreements (PPAs) with EVN based on the standard templates issued by the MOIT. While any regulatory non-compliance may be subject to administrative sanctions under Vietnamese law, there is no provision in the applicable legal framework, the signed PPAs, or EVN’s commercial operation procedures that supports the disqualification of these projects from FIT entitlement on such grounds. The withholding of FIT payments—and the potential clawback of previously disbursed amounts—has had a material adverse impact on the financial viability of the affected projects, as well as on their investors and lenders. This situation has raised serious concerns among foreign investors and financiers regarding the stability and reliability of Vietnam’s investment environment, potentially undermining the country’s competitiveness in attracting foreign capital for its energy transition.	in the affected projects. In particular: • All actions taken must be consistent with applicable law. The legitimate rights and interests of investors, as recognised under binding legislation and duly executed contracts, must be respected and protected. • Any non-compliance attributable to project companies should be addressed through administrative sanctions as prescribed by law, without undermining their contractual entitlements. • Issues arising from historical political or policy decisions - including outdated policies that may no longer align with current market conditions - should be treated as internal matters for government review and future policy improvement. However, revisiting binding legislation and retroactively denying investors’ legitimate rights and interests recognised under previously effective laws should be avoided.	Industry and Trade
8.	Challenges in direct power purchase agreement (DPPA) framework Decree 57/2025/NĐ-CP establishes a legal framework allowing manufacturing enterprises to directly purchase	We recommend the Government to consider the following: • Eliminate inappropriate fees within the DPPA mechanism, such as the monthly “net settlement cost”	Ministry of Industry and Trade

No	Issue	Recommendations	Responsible authorities
	electricity from renewable energy generators. However, to date, large electricity consumers have not been able to sign any DPPA contracts. The primary reason is the unpredictability of monthly DPPA-related fees. These include proposed charges by EVN for transmission, distribution, system and market operation, approved profit margins, and ancillary services - all of which are difficult to forecast.	applied to other power plants. • Ensure transparency and predictability of cost structures. • Protect DPPA participants from bearing the costs associated with fossil fuel sources, which are typically high and volatile.	
9.	Improving EVN's financial position As the sole electricity offtaker in Vietnam, EVN's creditworthiness is a critical factor influencing the bankability and financial viability of power projects. Persistent financial losses, largely due to retail electricity prices being set below cost-recovery levels, have raised concerns among investors and developers.	To strengthen EVN's financial performance and create a more stable investment environment, we recommend the following actions: • Establishing a clear and practical roadmap for retail electricity price adjustment reflecting actual generation, transmission, and distribution costs. • Improve financial transparency and accountability of EVN including disclosure of EVN's financial statements and cost structures and adopting international accounting standards and conducting independent audits will help build investor confidence. • Strengthening risk management and credit support by considering government-backed guarantees or credit enhancement tools for major power projects.	Ministry of Industry and Trade
10.	Bankability – Large scale power projects • <i>Unbankable model power purchase agreement.</i> The imbalanced risk allocation under the model power purchase agreement (PPA) prescribed by law exposes sponsors and project companies to material	• LNG to power projects be exempt from participating in the wholesale electricity market and be entitled to a fixed competitive tariff with two components (capacity charge and energy charge). • Devising national marine spatial planning in conjunction with the development of regional power centers, LNG	Prime Minister. Ministry of Finance, Ministry of Industry and Trade

No	Issue	Recommendations	Responsible authorities
	operational, revenue and litigation risks which are not acceptable to lenders in international project financing structures. ● <i>Electricity price fluctuation.</i> The requirement for mandatory participation by LNG-to-power projects in the competitive electricity market would materially affect predictability of electricity price and revenue of projects. ● <i>Off-taker credit rating.</i> EVN and its affiliates are the sole power off-takers in Vietnam. The electricity retail price in Vietnam has not been sufficient for EVN to recover its investment costs. For many years, sponsors and lenders have expressed concerns about EVN's creditworthiness and ability to fulfil its payment obligations in major PPAs. Despite the recent slight improvement, this will remain an obstacle. A government guarantee is needed to fill in the gap. ● <i>Deficiencies in legal frameworks for taking and enforcing security interests.</i> Foreign lenders are not allowed to take mortgage over land use rights and real property in Vietnam. The mechanism for enforcement of security interests in Vietnam remains ineffective. ● <i>Foreign currency convertibility.</i> Under Vietnamese law, the tariff under the PPA must be denominated and paid in Vietnamese Dong without reference to foreign currency. Meanwhile, project companies must repay foreign debts and various project development and operation costs (e.g. EPC costs, fuel supply costs, etc.) in foreign currency. The project companies will	projects and the offshore wind sector to determine the optimal use and allocation of sea areas. ● Development of a national agency and a national training program to support the development of both the LNG and offshore wind sectors with a view to Vietnam becoming a regional and world leader in the sector, exporting skills and clean energy globally. ● Development of a new PPA templates for the LNG and offshore wind sectors with risk allocation provisions acceptable to international lenders. ○ Key bankability issues to be addressed in the PPAs include curtailment, deemed commissioning, agreed termination payment, differentiation between natural and government force majeure, change in law and tax protections, lender step in rights, dispute resolution and governing law. ○ Clarifying the mechanism for fuel pass through and take or pay responsibility resulting from the fuel supply agreement. ● A review as to how Ruling 1604 applies to PPP projects and to some extent for IPP projects. This was a bankable solution for BOT project development and the same clarification would be welcome to support the PPP Law. ● To the extent regulations and laws could not address all relevant issues, it should be permitted for the parties to negotiate contractual terms which are subject to approval by the relevant authorities. That is international best practice and how precedent projects have been successful	

No	Issue	Recommendations	Responsible authorities
	be exposed to currency devaluation risks. There is also a less eminent risk that the availability of foreign currency in the Vietnamese bank market may be limited at times.	in Vietnam.	
11.	Lack of supporting logistics infrastructure facilities for air cargo transport Many high-tech manufacturing and export enterprises in Vietnam are using air transport as the primary channel for exporting products and goods produced in Vietnam. With the continuous growth in exports from export processing enterprises in the North in recent years, and the significant increase in export volume via air transport, Vietnam's airport infrastructure has not fully met the needs of businesses. Many companies are still facing difficulties in the logistics procedures for export due to congestion at Noi Bai Airport. This has led to prolonged waiting times for completing export customs clearance procedures via air transport, affecting the production and business plans of enterprises.	We propose that relevant authorities consider and study the establishment of off-terminal warehouse models around airport areas. At these warehouses, logistics companies would be permitted to carry out specific activities, including the sorting and consolidation of export goods. This initiative would help alleviate congestion at international airports in Vietnam.	Ministry of Transport

SPEECH OF HUMAN RESOURCES WORKING GROUP

Preparing a Future-Ready Workforce for High-Quality FDI Demands

Your Excellency, distinguished delegates, ladies and gentlemen,

When we talk about the future of Vietnam's competitiveness, it's easy to focus on infrastructure, tax incentives, or trade agreements. But the real foundation of progress is how people adapt to change. Technology evolves faster than any policy or regulation, and in an age where intelligence itself is becoming the most valuable resource, the question we face is not whether Vietnam can attract investment, but whether we can build a workforce that grows as fast as technology does.

Vietnam has already achieved extraordinary success in attracting foreign direct investment, and we are now shifting from growth in quantity to growth in quality. Investors today are not simply looking for cost efficiency; they are looking for capability, creativity, and adaptability. The next stage of Vietnam's development will be measured by how intelligently we combine human and artificial intelligence.

As foreign businesses, we fully recognise that developing Vietnamese talent is the long-term priority. But for that growth to accelerate, there must also be effective international knowledge transfer. When investments arrive in sectors such as the International Finance Centre or advanced technology and AI, bringing in foreign experts is essential. They are not here instead of local professionals - they are here to train, transfer skills, and build future capacity.

In this context, we welcome Decree 219, which has made genuine progress in modernising work-permit regulations for foreign employees. It simplifies procedures, reduces unnecessary barriers, and shows the Government's strong commitment to attracting international expertise. However, it remains important that flexibility continues when assessing the qualifications of foreign experts - particularly in new and fast-evolving fields. In areas such as artificial intelligence, the pace of technological change is exponential. It is impossible for someone to already hold a four-year degree in a technology that may only have existed for a few weeks. This is not a local issue, but a global reality that all countries face as innovation accelerates faster than traditional education and certification systems can adapt. Flexibility in recognising experience and capability, rather than relying solely on formal qualifications, will ensure that Vietnam continues to access the international expertise needed to transfer knowledge into its priority sectors while developing its own domestic talent base.

While Decree 219 is an excellent step forward, consistent implementation across provinces remains important. The intent of the decree is clear and forward-looking, but businesses are sometimes facing uneven interpretations that delay or complicate the process. If we can harmonise these practices nationwide, the benefits will be enormous, not just for companies, but for the Vietnamese professionals who gain access to international expertise and faster knowledge exchange.

Education and training reforms are advancing quickly. Universities and employers are collaborating more, and the Ministry of Education's **Education 4.0** and **AI-in-education** strategies are forward-looking. Yet a gap remains between academic learning and workplace

readiness. Many graduates are strong technically but lack practical problem-solving, creativity, and resilience. The private sector stands ready to support in closing this gap, by integrating real-world skill development and ensuring the next generation learns not only *about* technology but *with* it, using AI as a daily tool.

As AI becomes embedded across all industries, a new management discipline is emerging: Intelligence Management. Historically, organisations were structured solely around human roles. Today, intelligence is both human and artificial. AI systems analyse, decide, and create alongside us, which means organisational design must evolve. Intelligence Management is about structuring how humans and AI collaborate: where intelligence sits, how decisions flow, and how responsibilities are shared. It is not simply automation; it is redesigning the organisation around hybrid intelligence. Vietnam's young and adaptable workforce positions the country to lead in piloting these new organisational models, integrating human capability and AI systems from the ground up.

To enable this, three priorities stand out:

- regulatory clarity and flexibility for foreign expertise;
- national reskilling that builds AI literacy at every level;
- and strong government-business-education partnership to turn frameworks into practical results.

The world is entering an era where intelligence - human and artificial - is the defining competitive advantage. Vietnam is exceptionally well positioned for this future. The Government is not only open to reform; it is actively benchmarking global best practice and modernising policy at speed. With that leadership, and strong cooperation from the private sector, Vietnam can demonstrate how a technologically advanced economy can remain human-centred, innovative, and globally competitive.

Thank you.

POSITION PAPER OF HUMAN RESOURCES WORKING GROUP

1. Acknowledgement and Appreciation

The business community welcomes the issuance of **Decree 219/2025/NĐ-CP** on the management of foreigners working in Vietnam. This decree demonstrates that the Government is attentive to the challenges companies have faced for many years and has taken meaningful steps to **simplify administrative procedures** and **reduce entry barriers** for foreign experts and employees.

We would like to thank the Government for engaging in dialogue with the private sector and for introducing changes that reflect many of the recommendations raised during consultations.

2. Positive but Unclear Provisions

While the decree introduces several encouraging measures, a number of provisions remain unclear or only applicable under specific and narrow conditions. Without further clarification, there is a risk of inconsistent interpretation and implementation by provincial authorities (DOHAs). The key issues include:

a. Work Permit Exemptions for Experts in Strategic Sectors

- The new exemption is highly welcomed, particularly for sectors such as finance, science, technology, innovation, and digital transformation.
- However, the scope and process to obtain confirmation of such exemption remain undefined.

b. Work in Multiple Locations

- Allowing foreign employees to work in multiple provinces under a single work permit with simple notification report in other locations is an important step forward.
- However, clarification is needed where host locations are **vendors or partners** of the employer and not branches or subsidiaries of the sponsoring company.

c. Recognition of Foreign Health Certificates

- The decree states that certificates issued abroad may be accepted if there is a mutual recognition agreement with Vietnam.
- To date, no such agreements are known to exist, raising uncertainty over practical implementation.

d. The classification of job field required in the new application form 3a

- The new Form No. 3 replaces the “Job Title” with a “Job Field” classification, requiring employers to select a Level-3 occupation code from Decision 34/2020/QĐ-TTg. While this standardizes applications, it narrows the permissible fields of work compared to previously flexible job titles and may not account for emerging occupations.
- Questions remain on whether multiple codes can be entered and whether experience documents tied to specific job titles will still be accepted as valid proof for these standardized job fields

3. Implementation Challenges

The new decree was implemented immediately upon its discovery by all stakeholders, including the provincial authorities. Since the People's Committee is the designated authority, provincial DOHAs were unable to receive dossiers due to the absence of a formal delegation of power. This delegation took over three weeks to be issued.

During this period, new work permit applications and renewals could not be processed or approved, which significantly impacted the visa status of foreign workers and their family members.

Furthermore, the **immediate implementation created additional challenges**, as provincial DOHAs sought further clarification from MOHA regarding several ambiguous provisions in the decree.

This situation has led to some business disruptions:

- New Work Permit and Work permit renewals could not be filed in due time.
- Gaps in foreign employees' legal status have occurred.
- Some foreigners have been required to exit and re-enter Vietnam on new visas due to the inability to renew their TRCs in the absence of a renewed work permit.

These challenges undermine the positive intent of the decree and create avoidable instability for businesses.

Another sudden enforcement has recently created significant implementation challenge in Hanoi. The Public Services Center announced, through a same-day press release, that all applications including Work Permit applications, must now be electronically signed or e-notarized, with immediate effect.

Due to the last-minute nature of the announcement and again its **immediate implementation**, Hanoi DOHA have even returned work permit applications that were already submitted prior to 20 October 2025 and not e-signed and accompanied by e-notarized documents.

Notably, some required documents for Work Permit (WP) applications, such as passports, cannot be e-notarized unless the holder is physically present in Vietnam. This requirement forces foreigners to travel to Vietnam solely for the notarization process, creating a significant financial burden due to international travel costs, consuming valuable time, and causing delays across various aspects of the application timeline. Additionally, overseas documents have also posed a problem for e-notarization. Legalized documents issued abroad must be translated into Vietnamese before submission for WP processing. However, only a limited number of authorities in Hanoi currently accept e-notarization of these translated versions, resulting in bottlenecks, overloads, and major delays in the overall procedure.

No guidance was provided, provincial DoHA were unable to resolve or advise on solutions.

4. Recommendations

We respectfully propose the following:

- **In the future, maybe an implementation grace period?** Future decrees could allow at least **3 to 4 weeks between issuance and enforcement**, giving time for:
 - relevant delegation of authority to the departments in charge.
 - proper training from the policy makers to the implementation units as well workshop for the business community to answer their questions and issue implementing guidance before the new regulation is enforced.
 - Provincial officers as well as businesses to prepare and adapt procedures.
- **Official Clarifications:** MOHA could issue clear instructions on:
 - The recognition and validity of foreign health certificates.
 - The scope and process for work permit exemptions in strategic sectors.
 - The rules governing multiple work locations, especially at vendors or partner sites.

5. Conclusion

Decree 219 represents a significant and positive step toward a more business-friendly environment in Vietnam. With further clarification and better-managed implementation, it can become a model of responsive policymaking that strengthens Vietnam's competitiveness and attractiveness for foreign investment.

The business community remains committed to continued dialogue and partnership with the Government to ensure that the decree achieves its intended objectives.

SPEECH OF AGRIBUSINESS & ENVIRONMENT WORKING GROUP

Partnerships for a Strong Circular Economy, Carbon Markets, and Green Innovation

We would first like to extend our thanks to the Prime Minister, Minister of Finance, and all partners in the Vietnam Business Forum (VBF) and Secretariat for convening the VBF Annual Forum.

Since 2020, the Government has taken meaningful steps to demonstrate clear political will when it comes to its commitments to climate and green growth and place Vietnam as a regional leader. We highly value improved policy and implementation efforts which provide guidance on greenhouse gas emission mitigation, ozone layer protection, carbon market, extended producer responsibility, and the green taxonomy. This improved legal framework has provided a foundation for private sector engagement and partnership by establishing clearer rules for environmental compliance, waste management, circular economy promotion, and carbon reduction.

With this understood, we at the Agribusiness and Environment Working Group would like to highlight two main policy areas which could further foster partnerships to help meet the needs for a robust circular and low-carbon economy of the future

Part 1. Partnerships to Strengthen the Promotion of Circular Economy

In order for Vietnam to remain relevant and dynamic as a vibrant economic force and supply chain and trade partner, we recommend **strengthening the scientific and institutional foundation to measure and manage our material footprint** in the transition to a circular economy.

Early implementation of policies relating to circular economy, and in particular EPR, shows progress and positions Vietnam as a regional leader, **but challenges remain**, including:

- **Weak waste management infrastructure**, and in particular a lack of facilities for waste segregation and sorting and separated waste transportation
- **High cost and immature markets for recycled materials**
- **Lack of incentives for producers that use recycled materials**
- **Lack of technology/AI in governance for EPR**

Recommendations for Advancing Partnerships in Circular Economy

1. **Establish national material use pathways in a strategic plan** outlining how key materials, from textiles to plastics, will be managed, reused, and recycled within the national economy.
 - a. Grounded in science and adapted to Vietnam's development needs, these pathways will reduce long-term costs, improve efficiency, and ensure industries remain competitive in global markets.
 - b. Additionally, a strategic plan that includes schemes to increase investment in infrastructure and synchronize waste classification and treatment in provinces/cities from local budgets, the Vietnam Environmental Protection Fund, socialized activities, and public-private partnerships would help clarify for private

sector how they can engage local authorities in developing their recycling plans to build capacity with local partners.

2. **Institutionalizing digitalization and AI in governance** can make compliance transparent and low-cost, particularly for SMEs and help verify sustainability claims, strengthen fiscal management, and enhance Vietnam's credibility in international trade and finance.
3. **Mobilizing innovation and finance for circular industries** could enable Vietnamese enterprises to lead in key sectors (textiles and footwear, electronics, agriculture, furniture and construction). For example, introducing preferential EPR tax schemes or subsidies for enterprises that incorporate high percentages of recycled materials into their products would encourage a shift toward circular production models.

Part 2. Partnerships for Carbon Market Development

We appreciate the Government's strengthening of the legal framework on carbon market development. However, a few challenges remain that could be addressed by the end of 2026:

- **Roadmap and objectives for the Greenhouse Gas Emissions Reduction Plan:**
The time for developing and implementing measures to reduce greenhouse gas emissions is coming up fast and businesses need support and coordination with relevant partners. Without specific regulations on emission allowances, businesses face challenges in effectively planning their emission reduction strategies, including setting feasible targets and timeline for implementing emission reductions.
- ***Lack of clarity in definitions and procedures for registration and participation in carbon credit trading***
 - For example, enterprises may find difficulty distinguishing between “participants in carbon credit exchange” and “participants in carbon offsetting.”
 - There is a need for clearer and more specific guidance on the procedures and requirements for registration and participation in the carbon trading market as well as specific forms for businesses to collect information as required by competent state agencies to support the assessment and approval of carbon trading.
- ***Lack of alignment between domestic and international standards in carbon trading and offsetting.***

Benefits to Vietnam of Strengthened Carbon Market Guidance

Clarifying the terms, rules of registration and participation in the carbon market will enhance the credibility of Vietnam's climate commitments under the Paris Agreement, and strengthen and deepen the resilience of government interventions towards low carbon development. Harmonization between domestic and international standards also helps to reduce investor uncertainty, mitigates risks and builds investor confidence.

Recommendations for Carbon Market Development and Private Sector Involvement

Specifically, to further low carbon economy development through a strengthened carbon market in Vietnam, we have four main recommendations:

1. Recognize the role of carbon commodities

- Two key tradable assets will shape Vietnam's carbon market: emission allowances and carbon credits. In the early phase, as allowances are allocated for free, carbon credits will be the more flexible instrument for private sector participation.

2. Promote and prioritize development of high-quality domestic carbon credit projects aligned to international standards (e.g., Verra, Gold Standard, GCC) until a national framework can be finalized to ensure credibility and marketability.

- Accelerate issuance of national standards and approval procedures, while building domestic expertise for validation and verification to lower costs and increase competitiveness of Vietnamese credits.

3. Enhance market liquidity through international linkages

- Expand bilateral and multilateral cooperation for trading under Article 6.2 and 6.4 of the Paris Agreement.
- Conclude and operationalize agreements with key partner countries (e.g., Singapore, Switzerland, Japan, Korea) to broaden the buyer network, stimulate demand, and increase credit value.
- Support enterprises (carbon project owners) in **obtaining government authorization letters** to participate in Article 6.2 and 6.4 trading, ensuring timely access to international markets.

4. Prepare for a more mature market phase

- Over the longer term, as emission allowances move toward auction-based allocation with tighter caps, if private firms have the opportunities to trade allowances alongside credits, it would diversify available commodities, deepen market liquidity, and create stronger incentives for private sector engagement.

Developing a robust and internationally linked carbon market provides a powerful economic incentive for emissions reduction.

CONCLUSION

Vietnam has a significant role to play as a regional leader in green growth, innovation, and sustainability and in setting out the pathways to future-proof the green and digital economy for its people. A strategic approach to the next phase of circular economy and low carbon economic development that leans into clear guidance development that harmonizes and aligns with international standards, protects natural resources, invests in innovation and technology, and engages SMEs as well as large corporations in these efforts will be vital to help trigger and incentivize further partnership with the private sector in the next phase of Vietnam's development.

POSITION PAPER OF AGRIBUSINESS & ENVIRONMENT WORKING GROUP

Fostering a Circular and Low-Carbon Economy through Practical Implementation of Environmental Policies

INTRODUCTION

The Agribusiness and Environment Working Group would like to extend our thanks to the Prime Minister, Minister of Finance, and all partners in the Vietnam Business Forum (VBF) and Secretariat for convening the VBF Annual Forum to discuss Vietnam: Enabling Quality Growth through Reform, Innovation, and Partnership.

Since 2020, the Government has taken meaningful steps to demonstrate clear political will when it comes to its commitments to climate and green growth and place Vietnam as a regional leader in sustainability.

We highly value improved policy and implementation efforts such as the **2020 Environment Protection Law**, along with the decrees and circulars thereafter, including:

- **Decree No. 119/2025/ND-CP dated June 09, 2025 (on amendments to Decree No. 06/2022/ND-CP)** on greenhouse gas (GHG) emission mitigation and ozone layer protection, which also clarifies the roadmap for carbon market established under **Decree No. 06**;
- **Decree No. 08/2022/ND-CP** and **Decree No. 05/2025/ND-CP** and the anticipated amended Draft Decree which concern extended producer responsibility, and,
- Official issuance of the **Green Taxonomy on July 4, 2025, through Prime Minister's Decision No. 21/2025/QĐ-TTg, and came into effect on August 22, 2025**, which establishes environmental criteria and a unified certification process for classifying investment projects as "green" across seven key sectors, serving as a tool to attract green capital and guide the nation's low-carbon transition toward its 2050 net-zero goal.

This improved legal framework has provided a foundation for private sector engagement by establishing clearer rules for environmental compliance, waste management, circular economy promotion, and carbon reduction.

We also highly value the effort and rationale behind the recent restructuring and streamlining of the organizational apparatus of the political system related to the ministries and ministry-level agencies and the merger of provinces.

All this Vietnam is doing to shape its economic future amidst the current disruptions of the global marketplace and impending impact of climate change.

With this understood, we at the Agribusiness and Environment Working Group recognize that the country stands at a significant inflection point as it looks forward to the next phase of development, where Vietnam can strategically look to meet the current needs of its people and scale growth to meet the needs of a robust low carbon economy of the future.

We at the Agribusiness and Environment Working Group would like to engage the Government of Vietnam in highlighting four policy areas which could further foster a circular and low-carbon economy and support practical and effective implementation of environmental policies:

- 1) **Strengthening the Promotion of Circular Economy** through a Strategic Plan to Natural Material Use Pathways, Digitalization and AI in Governance, and Mobilizing Innovation and Finance;
- 2) **Improving Water Resource Management through Strategic Models and Innovation in the Mekong Delta;**
- 3) **Mobilizing Finance in Carbon Market Development and Innovation for Green, Inclusive Growth;** and,
- 4) **Include SMEs in the Pathways Towards a Green and Digital Economy.**

PART 1. STRENGTHENING THE PROMOTION OF CIRCULAR ECONOMY

Compliance and Policy Development in Vietnam Amidst Global Market Disruptions and Demands for Supply Chain

We are living through a significant moment of global market shift and pressure from the increasing demand from investors, trade partners, and consumers' to meet higher standards in sustainability and transparency in agricultural and manufacturing production and infrastructure and logistics. Carbon border measures and new trade rules are emerging. Nations that adapt early will secure competitiveness, attract finance, and safeguard market access. Those who delay will face higher costs, trade barriers, and dependency.

As Vietnam strengthens its position in global supply chain and looks for opportunities to contribute to global greenhouse gas emissions reductions and protect biodiversity, it is important that Vietnam manages its natural resources carefully. In order for Vietnam to remain relevant and dynamic as a vibrant economic force and supply chain and trade partner, we recommend **strengthening the scientific and institutional foundation to measure and manage our material footprint** in the transition to a circular economy.

Without this, policies remain fragmented and businesses lack certainty. With it, Vietnam can sharpen decision-making, align growth with trade competitiveness, and protect Vietnam's advantages in an era of resource competition.

Strengthening Circular Economy and Extended Producer Responsibility in Vietnam

Vietnam is under mounting environmental pressure: rapid sea level rise is disrupting the Mekong Delta's ecosystems and communities, while Hanoi and Ho Chi Minh City remain among the world's most polluted cities. These realities highlight the urgency for stronger environmental action, driving the need for sustainable, resilient, and low-carbon supply chains.

Vietnam's transition toward a circular economy (CE) formally began with the **Law on Environmental Protection 2020**, which institutionalized CE and assigned clear responsibilities to ministries and provincial authorities. A central feature is the Extended Producer Responsibility (EPR) mechanism under Article 54, requiring producers to collect and recycle post-consumer products, with implementation detailed in **Decree 08/2022/ND-CP** and phased in from 2024 (packaging) to 2027 (electronics). The government has

consistently refined EPR regulations in response to business feedback, signaling strong commitment to practical enforcement. Complementary strategies such as **Resolution 29/NQ-CP (2021) on Agenda 2030**, **Decision 1677/QĐ-TTg (2021)** on CE development, and the **National Green Growth Strategy (Decision 1658/QĐ-TTg, 2021)** position CE as a pillar of sustainable growth, supported by earlier biodiversity and marine resource laws.

Early implementation in the circular economy, and in particular EPR, shows progress across industry, agriculture, services, and community initiatives, but challenges remain in SME readiness, recycling technology, waste segregation and sorting, and market incentives—underscoring the need for continued policy innovation and stronger coordination.

Extended Producer Responsibility (EPR) Issues / Areas of Concern:

To be clear, progress in EPR is constrained by the following issues:

- **Weak waste management infrastructure:** According to a 2023 survey in Hanoi, over 75% of solid waste in the country including plastics was mismanaged or improperly disposed with less than 30% of plastic waste being recycled.¹
 - **Lack of facilities for waste segregation and waste sorting as well as separated waste transportation:** With the merger of provinces, some of our business members have mentioned a delay in identifying the right local authorities to work with towards their recycling plans.
- **High cost of recycled materials:** The lack of mechanism and weak enforcement on waste segregation at source as well as the fragmented and manual nature of waste collection, which relies heavily on the informal sector, continue to make the process expensive. The quality and volume of materials collected fluctuates, creating supply chain instability for businesses. This means a cost disparity where the cost to collect, sort, and process waste into high quality recycled materials is higher than the cost of importing new raw materials (such as virgin plastic).
- **Regulatory misalignment:** EPR regulation currently does not have any incentives for producers that use recycled materials. These kinds of incentives would help facilitate the development of the recycling industry at this early stage and create mechanism for circular economy. Some other issues in misalignment are being addressed in the anticipated Amended Draft EPR Decree.
- **Immature markets for recycled materials:** Most of Vietnam’s recycling operations are small-scale and use outdated, manual processes. This results in recycled materials of lower quality that cannot compete with the quality and consistency of virgin materials.
- **Lack of technology/AI in governance for EPR:** According to current and anticipated amended Draft Decree on EPR, self-recycling units, recycling units, and intermediary organizations are responsible for the accuracy of the data they will input into reporting platforms, and the current system lacks streamlined reporting and digitalization. There is also a lack of clear criteria and mechanisms for EPR monitoring and auditing, leaving

¹ Reference to survey by [UNDP](#), “Ripples of Change: Viet Nam’s Journey to Reduce Plastic Pollution,” February 22, 2024; and VTV, “Người dân sẽ phân loại rác ra sao từ 1/1/2025?” [Ban Thời sự](#), 07/12/2023

producers unsure if what they have implemented or submitted for EPR is accepted by the Government.

Benefits for Vietnam in Addressing EPR & Circular Economy Issues

By addressing these challenges through coordinated and aligned frameworks and strengthening its Circular Economy regulatory framework, Vietnam can secure multiple economic, social, and environmental benefits, building the foundation for a more resilient and sustainable Vietnamese economy.

- A well-implemented CE system will lower production costs over time by stabilizing the supply of recycled materials, reducing reliance on imported virgin resources, and protecting the nation from global resource price volatility.
- It will enhance trade competitiveness by ensuring Vietnamese goods meet rising international sustainability requirements, helping businesses maintain access to export markets and comply with new trade measures such as carbon border adjustment mechanism (CBAM).
- It will also attract sustainable finance and green investment, positioning Vietnam as a reliable destination for global capital flows seeking low-carbon and resilient supply chains.
- Beyond economics, a strong CE framework will reduce urban pollution, improve public health, and create quality green jobs across recycling, logistics, and innovation sectors.

Recommendations for Advancing Circular Economy

Specifically, to further enhance circular economy promotion in Vietnam, we have three main recommendations:

1. **Establish national material use pathways in a strategic plan** outlining how key materials, from textiles to plastics, will be managed, reused, and recycled within the national economy.
 - a. Grounded in science and adapted to Vietnam's development needs, these pathways will reduce long-term costs, improve efficiency, and ensure industries remain competitive in global markets.
 - b. Additionally, a strategic plan that includes schemes to increase investment in infrastructure and synchronize waste classification and treatment in provinces/cities from local budgets, the Vietnam Environmental Protection Fund (VEPF) or socialized activities and public-private partnerships would help clarify for private sector how they can engage local authorities in developing their recycling plans to build capacity with local partners.
2. **Institutionalize digitalization and AI in governance** – Using technology can make compliance transparent and low-cost, particularly for SMEs.
 - a. Investing early in technology and digital platforms to streamline reporting that is aligned to international standards, tracks material flows, and verifies sustainability claims would strengthen fiscal management and enhance Vietnam's credibility in international trade and finance.

3. **Mobilize innovation and finance for circular industries** to enable Vietnamese enterprises to lead in key sectors like textiles and footwear, electronics, agriculture, furniture and construction.
 - a. Fostering innovation in these areas would cut waste, open new markets, secure supply chains, and attract international investment.
 - b. Introducing preferential EPR, tax schemes, or subsidies for enterprises that incorporate high percentages of recycled materials into their products, encouraging a shift toward circular production models.

In order to see through a strategic transition that establishes Vietnam as a leader in the new global economy, setting up the circular and low-carbon economy is the **foundation of our long-term competitiveness, stability, and national strength**.

PART 2. IMPROVING WATER RESOURCE MANAGEMENT THROUGH STRATEGIC MODELS AND INNOVATION IN THE MEKONG DELTA

Freshwater, especially clean potable water, is a precious resource that is essential for life, agriculture, industry, and ecosystems. With populations increasing, demand for freshwater is also increasing, so, it is incumbent upon all parts of the society to actively engage in water conservation including reduced water usage, and high level waste water management. Vietnam uses a significant amount of water annually across various sectors. The total water use in Vietnam is approximately **89 billion cubic meters per year**.

- **Agriculture:** The largest consumer, **75 billion cubic meters per year** (84% of total water use).
- **Industry:** Utilizes **10 billion cubic meters per year** (11% of total water use).
- **Domestic:** Accounts for **4 billion cubic meters per year** (4% of total water use).

These figures highlight the importance of efficient water management and conservation practices to ensure sustainable water use in Vietnam.

The Mekong Delta, often referred to as the "Rice Bowl" of Vietnam, is a critical region that supports the livelihoods of millions of people. Known for its extensive network of rivers, canals, and rich agricultural land, the Mekong Delta is vital to Vietnam's economy. However, the region faces significant challenges related to water management, which, if not addressed, could lead to severe ecological, economic, and social consequences.

Despite its natural abundance, the Mekong Delta faces numerous challenges related to water management including rising sea levels, saltwater intrusion, upstream dams and water diversions, land subsidence, and pollution from industrial and agricultural activities. These challenges are exacerbated by both natural and human-induced factors.

Sustainable Water Management Solutions

Given these challenges, sustainable water management is crucial for the Mekong Delta's future. Sustainable water management involves the careful planning and utilization of water resources to meet the needs of the present without compromising the ability of future generations to meet their own needs. Key aspects of sustainable water management in the Mekong Delta include:

- **Integrated Water Resource Management (IWRM):** IWRM is a holistic approach that considers the interconnectedness of water, land, and ecosystems. It involves the coordination of water management efforts across different sectors and scales, promoting the efficient use of water resources and minimizing negative impacts on the environment. In the Mekong Delta, IWRM can help address the competing demands of agriculture, industry, and domestic use while ensuring the protection of vital ecosystems.
- **Climate Resilience:** Building climate resilience involves adapting to changing climate and mitigating its impacts. This can be achieved through measures such as improving flood control infrastructure, promoting salt-tolerant crop varieties, and implementing water-saving irrigation techniques. Enhancing the resilience of communities and ecosystems in the Mekong Delta is essential for reducing vulnerability to climate change.
- **Sustainable Agriculture Practices:** The adoption of sustainable agriculture practices can help reduce the negative impacts of agriculture on water resources. Precision farming, agroforestry, and organic farming can improve water use efficiency, reduce pollution, and enhance soil health. Promoting sustainable agriculture in the Mekong Delta is vital for maintaining the region's agricultural productivity and protecting water quality.
- **Community Engagement and Education:** Engaging local communities in water management efforts and raising awareness about the importance of sustainable water use are critical for achieving long-term success. Educating farmers, industries, and residents about best practices in water conservation and pollution prevention can foster a sense of ownership and responsibility for water resources.

Potential Solutions and Strategies

Addressing the water management challenges in the Mekong Delta requires a multi-faceted approach that combines policy, regulatory, technical and community-based solutions. Some possible solutions and strategies include:

1. **Enhancing Water Infrastructure:** Investing in modern and efficient water infrastructure, such as reservoirs, canals, and flood control systems, can help manage water resources more effectively. Upgrading existing infrastructure and implementing new technologies can improve water distribution, reduce losses, and enhance resilience to extreme weather events.
2. **International Cooperation:** Given that the Mekong River flows through multiple countries, transboundary cooperation is essential for effective water management. Collaborative efforts among the Mekong River Commission (MRC) member countries can promote the sustainable use of shared water resources, address upstream-downstream impacts, and ensure equitable water distribution.
3. **Policy and Regulatory Frameworks:** Strong government policy and regulatory frameworks are necessary to support sustainable water management. The Vietnamese government should implement policies that promote water conservation, regulate groundwater extraction, and enforce pollution control measures. Incentives for adopting sustainable practices and penalties for non-compliance can drive positive change.
4. **Research and Innovation:** Continuous research and innovation are needed to develop new solutions for water management challenges. Investing in research on climate change adaptation, sustainable agriculture, and water management

technologies can provide valuable insights and tools for addressing emerging issues. Coordination between Mekong Delta universities and international research organizations is essential to ensure world best practice in water management is researched and adopted.

Further details in the appendix attached.

PART 3. MOBILIZING FINANCE IN CARBON MARKET DEVELOPMENT AND INNOVATION FOR GREEN, INCLUSIVE GROWTH

Current Status of Carbon Market Development

We appreciate the Government's strengthening of the legal framework in mitigating greenhouse gas emissions and low carbon development through 2050, in particular through:

- The issuance of **Decree 06/2022/NĐ-CP**, which was the first comprehensive regulation on GHG mitigation and carbon markets;
- The issuance of **Decree 119/2025/NĐ-CP**, which introduced critical improvements, including:
 - Increasing the carbon offset limit to 30% (from 10%);
 - Expanding market participants to include broader stakeholders;
 - Providing a clearer definition of eligible offset project types;
 - Identifying over **2,000 entities** as subject to mandatory GHG inventory, forming the backbone of the compliance carbon market.
- The approval of the **National Carbon Market Development Scheme (2025)** in January 2025 under Decision 232/QĐ-TTg, with a three-phase roadmap toward full nationwide operation by 2029.

In addition to the issuance of key regulations, the Government has worked in partnership with private sector in pro-actively providing capacity building & awareness to high-emitting enterprises to get them ready for GHG inventories, emissions reduction plans, and aware about EU regulations around CBAM and deforestation, including:

- Active government-led training programs to enhance enterprise readiness.
- In 2023, the Department of Climate Change (DCC) partnered with international experts to deliver specialized training on GHG inventory and carbon markets.
- From late 2024 onward, ISPONRE (now ISPEA) organized training sessions for 1,000+ enterprises nationwide, preparing them for the pilot carbon market phase.

We appreciate and value these kinds of cross-sector partnerships in the future to develop the carbon market in Vietnam.

Carbon Market Issues, Areas of Concern

However, a few challenges remain in carbon market development that could be addressed ahead of 2026:

- **Roadmap and objectives for the Greenhouse Gas Emissions Reduction Plan:** The time for developing and implementing measures to reduce greenhouse gas emissions is approaching (starting from 2026) and businesses need support and coordination with relevant partners. However, up to now, there has been no specific information about the

expected limit for businesses to plan. Without specific regulations on emission allowances, businesses face challenges in effectively planning their emission reduction strategies, including setting feasible targets and timeline for implementing emission reductions.

- ***Lack of clarity in definitions and procedures for registration and participation in carbon credit trading:***
 - Enterprises may find difficulty distinguishing between “participants in carbon credit exchange” and “participant in carbon offsetting” as prescribed in the Draft Decree. A lack of clear definitions and inconsistent enforcement make it difficult for businesses to plan and execute long-term green projects.
 - Clearer and more specific guidance on the procedures and requirements for registration and participation in the carbon trading market is required to help the market operate effectively and smoothly.
 - Accordingly, specific forms should be issued for businesses to collect information as required by competent state agencies, serving the assessment and approval of carbon trading.
- ***Lack of alignment between domestic and international standards in carbon trading and offsetting:*** Today’s business operations may extend beyond the territory of a single country, and are closely linked to the global supply chain. Therefore, regulations are necessary to standardize domestic carbon trading and offsetting in line with internationally recognized standards. This will ensure that Vietnam’s carbon market operates effectively and is integrated with the global carbon market.

Benefits to Vietnam of Strengthened Carbon Market Guidance

Clarifying the terms, rules of registration and participation in the carbon market will enhance the credibility of Vietnam's climate commitments under the Paris Agreement, strengthen and deepen the resilience of government interventions towards low carbon development.

Harmonization between domestic and international standards also helps to reduce investor uncertainty, mitigates risks and builds investor confidence.

Recommendations for Carbon Market Development and Private Sector Involvement

Specifically, to further low carbon economy development through a strengthened carbon market in Vietnam, we have four main recommendations:

1. **Recognize the role of carbon commodities**
 - Two key tradable assets will shape Vietnam’s carbon market: emission allowances and carbon credits.
 - In the early phase, as allowances are allocated for free, carbon credits will be the more flexible instrument for private sector participation.
2. **Promote high-quality carbon credit projects aligned to international standards**
 - Prioritize development of domestic carbon projects that generate credits *aligned with international standards*.

- Until a national framework is finalized, projects should adopt globally recognized standards (e.g., Verra, Gold Standard, GCC) to ensure credibility and marketability.
 - Accelerate issuance of national standards and approval procedures, while building domestic expertise for validation and verification to lower costs and increase competitiveness of Vietnamese credits.
3. **Enhance market liquidity through international linkages**
- Expand bilateral and multilateral cooperation for trading under Article 6.2 and 6.4 of the Paris Agreement.
 - Conclude and operationalize agreements with key partner countries (e.g., Singapore, Switzerland, Japan, Korea) to broaden the buyer network, stimulate demand, and increase credit value.
 - Support enterprises (carbon project owners) in **obtaining government authorization letters** to participate in Article 6.2 and 6.4 trading, ensuring timely access to international markets.
4. **Prepare for a more mature market phase**
- Over the longer term, as emission allowances move toward auction-based allocation with tighter caps, private firms will have opportunities to trade allowances alongside credits.
 - This will diversify available commodities, deepen market liquidity, and create stronger incentives for private sector engagement.

Developing a robust and internationally linked carbon market provides a powerful economic incentive for emissions reduction.

PART 4. INCLUDE SMEs IN THE PATHWAYS TO A GREEN AND DIGITAL ECONOMY

Lastly, given that Small and Medium-Sized Enterprises (SMEs) are the backbone of Vietnam's economy, accounting for over **97% of all businesses** and contributing nearly **45% to the national GDP**, their inclusion is not just beneficial—it is essential for a successful and equitable green transformation.

- **Customized Support:** Policies must be designed with SMEs in mind. This means providing accessible financing, technical assistance for green technology adoption, and simplifying compliance procedures.
- **Capacity Building:** Many SMEs lack the technical knowledge and financial resources to implement complex green practices. The government should partner with industry associations and financial institutions to offer training and financial products tailored to their needs.
- **Leveraging Technology:** Digitalization and AI, as mentioned in the circular economy section, can significantly reduce the cost of compliance for SMEs, allowing them to participate in the green economy without being burdened by complex paperwork.

By targeting policies that balance tax and incentives and preferential policies for SMEs, multinational and large domestic corporations would find it easier to engage SMEs in its value chain to support decarbonization efforts and pull in more SMEs who are not currently part of a value chain.

CONCLUSION

Vietnam has a significant role to play as a regional leader in green growth, innovation, and sustainability and in setting out the pathways to future-proof the green and digital economy for its people.

A strategic approach to the next phase of circular economy and low carbon economic development that leans into clear guidance development that harmonizes and aligns with international standards, protects natural resources, invests in innovation and technology, and engages SMEs as well as large corporations in these efforts will be vital to help trigger and incentivize further partnership with the private sector in the next phase of Vietnam's development.

We in the AgriBusiness and Environment Working Group look forward to aligning with the Government's vision on these kinds of impactful partnership and discussions for the future.

SPEECH OF BANKING WORKING GROUP

Dear Prime Minister Pham Minh Chinh,
Dear Minister of Finance Nguyen Van Thang,
Dear Deputy Governor of the State Bank of Vietnam Nguyen Ngoc Canh,
Dear Leaders of Ministries, Government Agencies
Distinguished Guests,

I am deeply honoured to be here today and to speak on behalf of the Banking Working Group.

The first half of 2025 has been a highly challenging period, with rising geopolitical uncertainties, escalating military conflicts, and trade tensions disrupting supply chains and slowing down global economic growth. Natural disasters and climate change have exerted mounting pressure on energy security, food security, and cybersecurity. Inflation remains elevated, while financial market conditions continue to tighten.

In the face of these pressures, I highly appreciate and congratulate the Government and the State Bank of Vietnam (SBV) for their remarkable achievements in policy leadership, monetary management, and banking operations, as well as in attaining key economic goals and outcomes. Domestically, Vietnam has been making the utmost efforts to effectively mobilize all resources for socio-economic development, focusing on many areas including green transition and digital transition.

In the banking sector, green transition and digital transformation are playing an increasingly important role in enhancing competitiveness and adapting more flexibly to market fluctuations.

The State Bank of Vietnam has taken a leading role in promoting both green and digital transformation.

- **On green transition**, the SBV has proactively advanced the green transition within the banking sector by strengthening the related legal framework, mechanisms, and policies.
- **On digital transformation**, numerous initiatives, conferences, and thematic workshops have been organized, such as the scientific workshop on *“Innovation and Digital Transformation in the Banking Sector”*, the conference on *“The Entire Nation Emulating Innovation and Digital Transformation”*, and the program *“Digital Literacy for All”*.² The State Bank of Vietnam has advised the Government to issue Decree No. 94/2025/ND-CP on a controlled pilot mechanism (Sandbox) in the banking sector. The SBV’s leadership and international reputation were further affirmed when Governor Nguyen Thi Hong was awarded an A+ rating by *Global Finance* magazine and recognized among the world’s best central bank governors.

In line with this year’s VBF theme, the Banking Working Group would like to propose several key directions to promote green finance and digital transformation in the banking sector.

² https://www.sbv.gov.vn/vi/web/sbv_portal/w/sbv566474
https://www.sbv.gov.vn/vi/web/sbv_portal/w/sbv637476

1. Policy and Legal Framework

Following the issuance of Decision No. 21/2025/QĐ-TTg (July 2025) on environmental criteria and green investment classification in July 2025, regulators should promptly issue quantitative guidelines for implementing this regulation on environmental criteria and certifying investment projects under the green taxonomy. This would help banks more easily classify, screen, and report on green credit activities.

A complete legal framework will also facilitate international financial institutions and funds in channeling green capital through the banking system.

Vietnam should also develop sector- and locality-specific green transition roadmaps, along with incentive policies for enterprises, especially pioneering enterprises in renewable energy, clean technology, and circular production.

Policies encouraging banks that provide green finance programs supporting businesses in green transition should also be clearly designed.

2. Digital Infrastructure and Innovation

Investing in digital infrastructure to ensure transparent national data and interconnected databases on businesses and projects will be crucial for assessing green investment and promoting green finance.

Vietnam should accelerate the adoption of AI, big data, and blockchain to effectively measure enterprise emissions, develop database by locality, verify environment impact by industry to lay the foundation for developing the carbon market and advance carbon finance products such as national green bonds.

Developing smart infrastructure solutions such as smart grids, IoT-based environmental monitoring systems, and digital energy management platforms is also essential. These will help control energy use, accelerate the green transition in the national power system, and support enterprises in adopting green energy for production.

Supporting SMEs in digital transformation, as well as encouraging green-tech startups through incubators and green venture funds, should be strengthened.

At the same time, it is crucial to enhance supervision and regulatory capacity in the fintech sector, and to incorporate international standards and best practices into legal frameworks governing IT applications to ensure security for enterprises as well as the financial and banking sectors.

3. Public–Private Partnerships (PPP) and International Cooperation

Vietnam should actively expand PPP models in green projects such as sustainable transport, smart cities, and clean energy. The establishment of projects supported by international organizations would help mobilize resources more effectively.

The country should deepen participation in regional and global sustainability initiatives such as JETP and AZEC, and swiftly adopt international ESG standards to enhance credibility and attract foreign investment.

Vietnam needs to adopt big data management to effectively connect and oversee public–private and international projects, ensuring consistency, interoperability, and information linkage among the projects, thereby creating spillover effects and promoting a circular economy.

4. Capacity Building and Awareness Raising

One of the biggest challenges for green transition today is the skills gap. Both Vietnamese enterprises and banks lack a sufficient number of professionals capable of managing green transition in the digital age.

Vietnam should expand training programs on green and digital skills for the workforce, and even consider integrating them into formal education curricula.

Raising awareness among young generations and the broader workforce will transform into a powerful national driver to keep pace with the global green–digital transformation.

Distinguished Guests,

Green transformation is not only a responsibility but also an opportunity for Vietnam to move up the global value chain. With the joint efforts of government authorities, the business community, and society at large, we can build a green, digital, and sustainable future for our nation.

Thank you very much.

POSITION PAPER OF BANKING WORKING GROUP
LIST OF TECHNICAL ISSUES

No.	GROUP OF ISSUES	QUANTITY
I.	Issues under the authority of the SBV	49
A.	Group of unresolved issues	12
A1.	Outstanding issues from 2024	10
A2	New issues arising in 2025	2
B.	Group of resolved issues	37
B1.	Outstanding issues from 2024	33
B2.	New issues arising in 2025	4
II.	Issues under the authority of other ministries	21
I.	Group of unresolved issues	5
A1.	Outstanding issues from 2024	5
A2.	New issues arising in 2025	0
I.	Group of resolved issues	16
B1.	Outstanding issues from 2024	6
B2.	New issues arising in 2025	10

I. ISSUES UNDER THE AUTHORITY OF THE STATE BANK OF VIETNAM (SBV) (49 ISSUES)

A. GROUP OF UNRESOLVED ISSUES (12 ISSUES)

A.1. OUTSTANDING ISSUES FROM 2024 (10 ISSUES)

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
1.	Regulations on the Retention of Accounting Records in the Banking Sector as stipulated in Decision 1913/2002/QD-SBV on the retention of accounting records in the banking sector; Decision 376/2003/QD-SBV; Clause 1(b), Article 13 of Decision 1789/2005/QD-SBV (BWG - Legal & Compliance Subcommittee) (SBV - Department of Finance and Accounting)	Based on the review of regulations regarding the retention of accounting records and documents in the banking sector, we note that in addition to Decision 1913/2005/QD-SBV, which stipulates the retention period of accounting documents consistent with the 2015 Accounting Law and Decree 174/2016/ND-CP guiding the Accounting Law, the provisions in Decision 376/2003/QD-SBV dated April 22, 2003 on the preservation and retention of electronic documents used for accounting and settlement of capital by payment service providers, and Clause 1(b), Article 13 of Decision 1789/2005/QD-SBV dated December 12, 2005 on the regime of bank accounting documents, are no longer aligned with current regulations on document retention nor with the actual operations of credit institutions. Details are as follows: 1. Decision 376/2003/QD-SBV a. Article 1 of Decision 376/2003/QD-SBV Currently, there are no specific guidelines on defining “ financing amount accounting and settlement activities ” as well as “electronic documents used for financing amount accounting and settlement.” In our view, this is an outdated concept no longer used in legal documents or in the current operations of credit	On December 29, 2021, the SBV issued Circular No. 22/2021/TT-NHNN regulating the retention period of records and documents generated in the operations of the SBV. In 2022: The Department of Finance and Accounting (Official Letter No. 1314/TCKT1 dated November 29, 2022) <i>The SBV had already sent Official Letter No. 4732/NHNN-TCKT dated June 28, 2022 to the Ministry of Finance regarding the actual situation and difficulties faced by credit institutions (CIs) in complying with regulations on accounting documents and the</i>	CONTINUED COORDINATION BWG looks forward to receiving updates to continue coordinating and working with the Financial and Accounting Department.	Response of the Department of Finance and Accounting (FAD) to the Department of International Cooperation (ICD) in 2025: Decision No. 376/2003/QD-NHNN: The Decision remains in effect; however, the legal documents that served as its legal basis have expired. The content has been in place for over 20 years and is no longer aligned with current practice. The management of electronic documents in the banking sector is now governed by regulations on the

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		institutions. b. Article 9 of Decision 376/2003/QD-SBV Article 9 requires that electronic documents directly related to accounting records at payment service providers must be retained for 20 years. This requirement is inconsistent with Decree 174/2016/ND-CP, which allows electronic documents to be retained on electronic means (Article 10) for periods of 5 years, 10 years, or permanently, depending on the type of accounting document (Articles 12–15). Proposal for Decision 376/2003/QD-SBV: We respectfully request the SBV to consider amending Decision 376, as this decision was issued long ago (in 2003) and is no longer suitable for the current operations of credit institutions, especially with respect to electronic records; or to issue specific guidance on the retention period for electronic documents in line with the current Accounting Law. In the absence of such guidance, we propose that “electronic documents used for financing amount accounting and settlement” be understood as electronic documents used for money transfer accounting and settlement, with a retention period of 10 years. This ensures consistency between the retention of paper and electronic records in payment operations and avoids discrepancies between the	<i>retention of accounting records under the Law on Accounting. The SBV stated it would continue working with the Ministry of Finance on this matter in the coming period.</i> In 2023: The SBV issued Official Letter No. 1397/NHNN-TCKT dated March 3, 2023 and Official Letter No. 2597/NHNN-TCKT dated April 12, 2023, continuing to raise concerns about difficulties encountered by CIs in complying with regulations on accounting documents and the retention of accounting records under the Law on Accounting. On January 21, 2023, the Ministry of Finance responded via Official Letter No.		management of data messages under the Law on Electronic Transactions and specialized legal documents (such as the amended Accounting Law No. 88/2015/QH13). In addition, Article 13 of Decision No. 1789/2005/QD-NHNN already provides regulations on the preservation and storage of documents (including electronic documents). To have sufficient grounds to propose the annulment of the documents, the FAD has sought comments from relevant SBV units.³ Currently, the FAD is consolidating

³ Payment Department, IT Department, Department of Issuance and Treasury

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		retention period of electronic documents (20 years) and paper documents (10 years) for the same money transfer transaction. 2. Clause 1(b), Article 13 of Decision 1789/2005/QD-SBV 2.1. The provisions on retention and packaging documents stipulated in Clause 1(b), Article 13 of Decision 1789 are no longer appropriate. <u>Proposal for Decision 1789/2005/QD-SBV:</u> We respectfully request that the SBV consider abolishing Clause 1(b), Article 13 of Decision 1789, or allow commercial banks to autonomously manage, package, and retain documents in line with their scale and business model, provided that the documents can be fully and completely retrieved within the minimum retention period prescribed by law. 2.2. Electronic signatures on accounting documents On September 13, 2024, BWG submitted Official Letter No. 13092024BWGVBF3, proposing that the SBV support recommendations to the Ministry of Finance, the authority responsible for drafting the revised Accounting Law, and at the same time consider amending SBV's guiding documents to: (i) Accept accounting documents signed with electronic signatures or with other forms of electronic	3988/BTC-QLKT, providing comments on the SBV's concerns. Accordingly, the Ministry of Finance stated that issues related to accounting documents and record retention for CIs must continue to follow the provisions of the Law on Accounting and Decree 174/2016/ND-CP. The Ministry also confirmed that the issues raised in the SBV's letters would be considered and addressed during the drafting of amendments to the Accounting Law 2025. In April 2024: The SBV sent Official Letter No. 3502/NHNN-TCKT dated April 25, 2024 to credit institutions		opinions and including Decision No. 376/2003/QD-NHNN in the list of legal documents proposed for annulment in 2025 under the Draft Resolution to annul several legal documents issued by the Governor of the SBV, as requested by the SBV Legal Department.⁴ Clause 1(b), Article 13 of Decision No. 1789/2005/QD-NHNN: - The SBV has issued Official Letter No. 7364/NHNN-TCKT⁵ summarizing several issues related to document regimes and document storage of credit institutions (CIs) and submitted it to the

⁴ Official letter No. 2627/PC3 dated 4/11/2025

⁵ Official letter No. 7364/NHNN-TCKT dated 20/9/2023

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		confirmation demonstrating the signatory's approval, as stipulated in the Law on Electronic Transactions 2023. Accordingly, accounting entities should be allowed to choose between an electronic signature or another form of electronic confirmation. (ii) Waive the requirement for electronic signatures on accounting documents that are automatically generated from internal accounting entries without human intervention. If the forthcoming amended Accounting Law stipulates general principles as recommended above, BWG proposes that the SBV annul Decision 1789. However, if the revised Law assigns detailed guidance on which types of accounting documents must bear electronic signatures or equivalent confirmation, BWG proposes that the SBV amend Decision 1789 accordingly to provide detailed guidance for accounting documents in the banking sector. 2.3. Implementation difficulties Difficulties in implementing Decision 1789 include: the requirement for the chief accountant's signature on accounting documents; the requirement to state amounts in words; the mandatory use of the Vietnamese language; and several other requirements. These issues were raised by BWG during the meeting on May 13, 2021, with the SBV's Department of Finance and Accounting, Payment Department, and Legal Department (please see attached minutes). We	and foreign bank branches, requesting them to review, assess, and provide explicit opinions on whether to annul or retain each relevant legal document, including Decision No. 1913/2005/QD-SBV dated December 30, 2005.		Ministry of Finance (MOF). - On December 31, 2024, the SBV issued Official Letter No. 10703/NHNN-TCKT to seek comments from CIs and foreign bank branches regarding reports and proposals on difficulties/issues under the accounting regime applicable to CIs, including requests to report obstacles, shortcomings, and proposals for amendments to the regulations on document regime and document storage regime. As the issues raised by the BWG relate to obstacles arising from the Accounting Law and other sector-specific laws, the SBV

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.1. Outstanding Issues from 2024

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		propose that the SBV support recommendations to the Ministry of Finance to make appropriate amendments to the Accounting Law, while at the same time abolishing or amending Decision 1789 (as outlined in section 2.2 above) to resolve these difficulties.			has already submitted written recommendations ⁶ to the MOF during the amendment process of the 2015 Accounting Law. However, these recommendations were not incorporated into the amended Accounting Law. Consequently, the current Accounting Law continues to stipulate the regulations mentioned above. Therefore, the SBV has no legal basis to issue regulations inconsistent with the Law. At present, the MOF is

⁶ Official Letter No. 1001/TCKT2 dated 26 August 2024 regarding solicitation of comments on the dossier proposing the development of the draft Law amending a number of laws under the Ministry of Finance, sent to the Legal Department for consolidation and submission to the Ministry of Finance.

Official Letter No. 9024/NHNN-TCKT dated 01 November 2024 regarding comments on the amendments and supplements to the Accounting Law concerning the management of accounting in the field of accounting under the State Bank of Vietnam.

Official Letter No. 1463/TCKT2 dated 27 November 2024 regarding comments on revision, incorporation, and finalization of the draft Law amending multiple laws under the Ministry of Finance, sent to the Legal Department for consolidation and submission to the Ministry of Finance.

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.1. Outstanding Issues from 2024

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
					undertaking an overall amendment and replacement of the Accounting Law. The FAD will coordinate with the MOF and relevant units to resolve difficulties in the Law that hinder amendments to the document regime and document storage regime for CIs, as well as other related issues (if any). At the same time, based on the consolidation of difficulties, challenges, and proposals from CIs, the FAD is reviewing and studying the overall regulations on electronic document storage in the banking sector and the accounting document regime in the sector to develop amendments, supplements, and

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.1. Outstanding Issues from 2024

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
					replacements for relevant documents, ensuring consistency with current practices and meeting requirements for digital transformation and new service development.
2.	I. Payment transactions via e-commerce platforms (BWG – Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV – Payment Department, Foreign Exchange Department, AML Department)	The BWG is studying recommendations on the legal framework and the role of the banking sector with respect to payment transactions via e-commerce platforms and will soon finalize them for further discussion and engagement with the SBV.	- The BWG proposes to coordinate with the SBV on this matter. - Regarding this matter, the Payment Department has not yet received any official recommendations from the BWG. With respect to the legal framework, Decision No. 1813/QĐ-TTg dated October 28, 2021, approving the Scheme on the Development of Non-Cash Payments in Vietnam for the 2021–2025 period, has set out specific objectives, tasks,	CONTINUED COORDINATION The BWG proposes to work in coordination with the SBV on this matter.	2025: Response from the Payment Department of the State Bank of Vietnam under Official Letter sent to the International Cooperation Department: The Payment Department will coordinate when receiving a specific request/recommendation.

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
			and solutions to promote payments in e-commerce ⁷ . - Banking Supervision Agency The Banking Supervision Agency agrees to coordinate if the matter is related to anti-money laundering.		
3.	Risk participation (BWG – Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Department of Credit for Economic Sectors, Legal Department of Legal and related departments)	BWG members met with the SBV's Department of Economic Sector Credit in mid-November 2024 to present this activity. During the meeting, the Department of Credit for Economic Sectors raised a number of questions, most of which were answered by BWG representatives. For the remaining questions, BWG will study and respond later.	BWG is planning to organize a workshop with the State Bank of Vietnam on risk participation, inviting relevant departments of the SBV, including the Banking Supervision and Inspection Agency, Monetary Policy Department, Legal Department, Credit Department, Foreign Exchange Department, and Finance and Accounting Department.	CONTINUED COORDINATION BWG proposed to coordinate with the State Bank on this issue.	2025: Response from the Department of Credit for Economic Sectors under Official Letter No. 1818/TD4 dated 05 November 2025 sent to the International Cooperation Department: In November 2024, BWG first provided a preliminary presentation on the risk-participation product to

⁷ Trong đó có một số nội dung nhiệm vụ như Xây dựng các chính sách thúc đẩy, phát triển, khuyến khích sử dụng dịch vụ TTKDTM trong hoạt động thương mại điện tử; Xây dựng hệ thống giải quyết phản ánh khiếu nại tranh chấp trực tuyến trong thương mại điện tử (giao Bộ Công Thương chủ trì).

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.1. Outstanding Issues from 2024

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
					the Department of Credit for Economic Sectors. During the discussion, both BWG and the Department agreed that this product relates to the functions and responsibilities of other relevant SBV units; therefore, BWG would need to work with those units to further clarify the product. However, to date, the Department has not been informed of any follow-up discussions between BWG and other relevant SBV units. At the same meeting, both sides also agreed that while the product shares certain similarities with existing practices in Vietnam (such as lending, entrusted

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.1. Outstanding Issues from 2024

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
					lending, guarantees, and debt sale), it also entails significant risks and requires more detailed research beyond what was preliminarily presented. The Department has not yet received BWG's further feedback on these matters. Therefore, we request that the necessity of organizing a workshop on this product be reconsidered. In case BWG still wishes to proceed with hosting the workshop, we propose that the International Cooperation Department act as the focal point to coordinate with BWG, and the relevant SBV units will coordinate with the International

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
					Cooperation Department accordingly.
4.	Declare information of related person (BWG – Legal & Compliance Subcommittee) (SBV– Legal Department)	After more than a month of implementing the 2024 Law on Credit Institutions as well as its guiding circulars, we have identified three groups of difficulties and obstacles in declaring information on “related parties” affecting both customers (especially foreign direct investment enterprises – FDIs) and credit institutions/foreign bank branches, specifically as follows: <u>Issue Group 1:</u> The definition of “related party” under Circular 09/2024/TT-NHNN and the 2024 Law on Credit Institutions. <u>Issue Group 2:</u> The responsibilities of credit institutions and foreign bank branches in complying with regulations on credit limits applicable to customers and their related parties, as well as the requirement to declare related party information of customers in credit granting activities. <u>Issue Group 3:</u> The obligation to disclose related party information of members of the Members’ Council, members of the Supervisory Board, the General Director (Director), Deputy General Director (Deputy Director), and equivalent positions at wholly foreign-owned credit institutions and foreign bank branches.	BWG is waiting for response from SBV. The Legal Department of the State Bank is processing and seeking opinions from relevant Departments and Offices.	CONTINUED COORDINATION	2025: Response from the Legal Department under Official Letter No. 2656/PC1 dated 07 November 2025 sent to the International Cooperation Department: The Legal Department is coordinating with relevant SBV units to gather opinions and will consolidate and provide advice to SBV leadership on handling BWG’s recommendations in accordance with its functions and responsibilities.
5.	II. Difficulties	- On September 9, 2024, BWG submitted Official Letter	BWG is waiting for	CONTINUED	2025:

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
	related to Article 15.5 of the Law on Credit Institutions regarding the scope of insurance distribution activities of banks (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Department of Credit for Economic Sectors and Legal Department)	No. 09092024BWGVBF1 to the Department of Banking Safety Policy, State Bank of Vietnam, seeking consultation on the interpretation and implementation of Article 15.5 of the Law on Credit Institutions. - Subsequently, on September 23, 2024, BWG submitted Official Letter No. 23092024BWGVBF to the Legal Department, SBV, with the same request for consultation on the interpretation and implementation of Article 15.5. - BWG understands the meaning of the word “<i>linked</i>” in Article 15.5 to involve one of the following factors: + The customer’s participation in an insurance product is made a mandatory condition when accessing or using any other banking product or service, except in cases where insurance participation serves as a risk mitigation measure for collateral. + The customer’s refusal to participate in an insurance product constitutes a barrier, delay, or adverse impact on their ability to access, be provided with, or use other banking products and services. + The customer’s participation in an insurance product does not stem from their voluntary choice based on actual demand. - Based on this understanding, BWG member banks have reached consensus on principles and methods for implementing insurance product distribution. - BWG respectfully seeks further guidance from the SBV to ensure consistent compliance with applicable	response from SBV.	COORDINATION	Response from the Department of Credit for Economic Sectors under Official Letter No. 1818/TD4 dated 05 November 2025 sent to the International Cooperation Department: It is requested to remove the Department of Credit for Economic Sectors as the implementing SBV unit for this matter because: - The issue under Article 15.5 of the Law on Credit Institutions regarding the scope of banks’ insurance activities is not a credit activity and does not fall under the functions or responsibilities of the Department of Credit for Economic Sectors. - BWG’s Official Letter

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.1. Outstanding Issues from 2024

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		laws.			No. 09092024BWGVBF1 dated 09 September 2024 was sent to the Department of Operational Safety Policy under the former Supervisory and Inspection Agency. The Department of Credit for Economic Sectors did not receive or handle this letter. Response from the Legal Department under Official Letter No. 2656/PC1 dated 07 November 2025 sent to the International Cooperation Department: The Legal Department is coordinating with relevant SBV units to gather opinions and will consolidate and provide advice to SBV leadership on handling

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
					BWG's recommendations in accordance with its functions and responsibilities.
6.	III. Provisioning rates, methods of setting aside risk provisions, and the use of provisions for handling risks in the operations of credit institutions and foreign bank branches, as well as cases where credit institutions must reverse accrued	- On September 24, 2024, BWG submitted Official Letter No. 24092024BWGVBF requesting guidance on several provisions of Decree No. 86/2024/ND-CP of the Government regarding provisioning rates, methods of setting aside provisions for risks, the use of provisions to handle risks in the operations of credit institutions and foreign bank branches, and cases where credit institutions must reverse accrued interest allocations. - Specifically, the letter highlighted difficulties in implementing Article 9 of Decree 86 concerning the timing of provisioning for risks: the adjustment period prescribed is too late to prepare financial statements, reports to the SBV, reports to parent banks, and other related reports. - BWG's proposals: + Make adjustments to loan classification and provisioning amounts in the <i>Notes to the Financial Statements</i>; and + Not revise reports already submitted to the SBV and the CIC.	BWG is waiting for response from SBV.	CONTINUED COORDINATION	IV.

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
	interest allocations under Decree 86/2024/ND-CP (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Banking Supervision Agency)				
7.	Draft Official Letter providing guidance on booking for factoring (BWG - Legal & Compliance Subcommittee and Transactional Banking Products) (SBV - Department of Finance and Accounting)	On October 23, 2024, BWG submitted Official Letter No. 23102024BWGVBF to the SBV's Department of Finance and Accounting to provide comments on the SBV's draft guidance on booking for factoring. Specifically, BWG: - Proposed amending Section I.1.2 on general booking principles as follows: <i>"I. General Booking Principles: ... For interest and fees collected from factoring transactions, credit institutions (CIs) and foreign bank branches (FBBs) shall calculate and book in accordance with financial regime regulations and</i>	BWG is waiting for the SBV to issue guidance on this issue.	CONTINUED COORDINATION	Response of the FAD to the ICD in 2025: Pursuant to Decision No. 1096/2004/QD-NHNN dated 06 September 2004, the SBV issued Official Letter No. 1444/CV-TCKT2 dated 21 September 2005 providing guidance on accounting for factoring transactions. In 2024,

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		foreign exchange management regulations. Interest and fees denominated in foreign currency must be converted into Vietnamese dong through foreign exchange transactions at the agreed exchange rate at the time of occurrence, and then recorded into income or expenses." - Recommended deleting Section I.1.5, which requires separate booking treatment for factoring transactions incurred before July 1, 2024 (to follow the guidance under Official Letter No. 1444/KTTC-CDTH), and after July 1, 2024 (to follow the guidance under this Official Letter). BWG proposed that all factoring transactions be booked under the guidance of this Official Letter as soon as it becomes effective. - Proposed that fees collected from factoring be recorded under account 397 instead of account 3591. - Requested supplement guidance on booking treatment in cases where banks receive advance interest payments for the entire factoring period from customers at the time of signing the factoring contract. - Proposed amending accounting entries from "credit appropriate lending account" (<i>có TK cho vay thích hợp</i>) to "credit appropriate credit-extension account" (<i>có TK cấp tín dụng thích hợp</i>). - Requested amendments to certain parts of Section 1.4.2 in order to align with the terminology stipulated in Circular 20/2024/TT-NHNN on factoring. For example: + <i>Current draft:</i>			the SBV promulgated Circular No. 20/2024/TT-NHNN, effective from 01 July 2024, replacing Decision No. 1096/2004/QĐ-NHNN and previous circulars, in which several new operations were added, such as non-recourse factoring and the purchase of payables from buyers. However, in 2024, the SBV did not have the authority to issue accounting regulations applicable to CIs, and therefore has not yet issued accounting guidance for these operations under the new Circular. Currently, the FAD is reviewing the entire accounting regime applicable to CIs to

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		III. Accounting treatment 1.4.2. If the buyer is unable to pay the debt (accounts receivable under the purchase and sale contract) to the factoring entity, based on the terms and form of the factoring contract, the factoring entity shall proceed as follows: ... <i>Proposed amendment:</i> 1.4.2. If the buyer is unable to pay the debt (accounts receivable under the purchase and sale contract), <u>including the factoring amount and factoring fees</u>, to the factoring entity, the factoring entity shall proceed as follows: ... + <i>Current draft, second bullet point of Section 1.4.2, Part III:</i> “If the seller is unable to make payment under the factoring contract, the factoring entity shall transfer the receivable into overdue debt and apply recovery measures.” <i>Proposed amendment:</i> “If the seller is unable to make payment under the factoring contract, the factoring entity shall transfer into overdue debt <u>the factoring amount</u> and apply debt recovery measures.” - Requested SBV to provide guidance on accounting treatment and the use of appropriate accounting accounts to record unpaid factoring fees related to factoring debts that have been written off using provisions, and are under off-balance-sheet monitoring,			develop an overall plan for issuing a new accounting regime for CIs, which will include accounting guidelines for factoring.

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		so that gradual recovery can continue.			
8.	Official Letter 9102/NHNN-TT of the SBV on strengthening risk management measures for opening and using organizations' payment accounts (BWG Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Payment Department)	On December 6, 2024, BWG submitted to the SBV's Payment Department a written feedback on certain provisions of Official Letter No. 9102/NHNN-TT issued by the SBV regarding strengthening risk management measures for the opening and use of organizations' payment accounts. Specifically: 1. Regarding the requirement to have a face-to-face meeting with the legal representative of an organization opening a payment account ("PA") and to verify and cross-check the identity documents of such legal representative for corporate customers established and operating in Vietnam (Section 2.1, Official Letter 9102): BWG proposes: That banks be allowed to assess and determine, at their own discretion, whether a face-to-face meeting is necessary for certain high-risk customers before completing the account opening process in accordance with the bank's internal procedures. Specifically, banks would establish a set of risk management criteria ("Criteria") to evaluate customers and identify cases where a face-to-face meeting with the legal representative is not required. Accordingly, if an organizational customer meets the following criteria, the bank would not need to meet the legal representative in person to open the PA: Reliability and reputation of the enterprise:	In the latest draft Circular amending Circular 17/2024/TT-NHNN, BWG notes that the SBV has taken into consideration and allowed banks to conduct their own assessment and determine which organizations must have a face-to-face meeting and biometric verification of the legal representative's identity documents. Accordingly, there remain two issues on which BWG is awaiting SBV's feedback: (i) BWG proposes that banks should not be required to verify that the phone number of the legal representative of an organization opening a payment account is officially registered under that individual's name.	CONTINUED COORDINATION	Response from the Payment Department, State Bank of Vietnam under Official Letter to the International Cooperation Department: On 31 August 2025, the SBV issued Circular No. 25/2025/TT-NHNN, amending and supplementing certain provisions of Circular No. 17/2024/TT-NHNN on the opening and use of payment accounts at payment service providers (Circular 25). Specifically, Clause 1, Article 5 of Circular 25 amended and supplemented certain provisions of Article 15 of Circular 17 as follows: (i) Clearly stipulating the requirement on

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		+ The enterprise has a long history of operation and a solid reputation in the market. + The enterprise has transparent financial statements audited by reputable audit firms. Scale and influence of the enterprise: + The enterprise is large in scale, operates in multiple sectors, and has significant influence within the industry. + The enterprise has broad business relationships with major organizations and companies. Long-term cooperation with the bank: + The enterprise has a stable transaction history with the bank, with no record of bad debts or regulatory violations. + The enterprise has high credit ratings from reputable credit institutions. + For customers who do not meet the Criteria for exemption from face-to-face meetings, the bank may decide to conduct verification of the legal representative's identity documents when opening a PA. We propose the following approach: ➔ Scope of application: Only applicable to the legal representative who signs the account opening agreement/contract with the bank (e.g., the legal representative of the entity, the head of a branch, or the authorized head of a representative office). ➔ Process/solution: This may be carried out either face-to-face or through a biometric verification	(ii) BWG proposes that the provisions of Official Letter 9102 should take effect from July 1, 2025 and apply only to accounts opened from that date onwards. The basis for these proposals is presented in Issues 2 and 3 in the adjacent column.		matching biometric information of account holders, representatives for individual customers, and legal representatives for institutional customers by customer type, with additional exemptions for certain institutional customers; (ii) Stipulating that when customers register transactions via online banking applications, banks and foreign bank branches must verify that the phone number of the account holder or their representative (for individual customers), or the legal representative (for institutional customers) to ensure that information about phone number subscribers match with

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		application, without the need for an in-person meeting if the legal representative is a Vietnamese citizen. Specifically, the legal representative would install the bank's dedicated application on their mobile device, link it with their VNeID account on the same device, and capture a live portrait photo. The bank's technical system would then compare data from VNeID, the portrait photo, and the information stored in the Ministry of Public Security's National Population Database, and return the verification result to the bank. The account opening process will proceed if the data matches; otherwise, the bank will reject the application (This does not constitute account opening via electronic means, since the customer would still be required to sign a physical account opening contract. Therefore, in some cases, although the account is not opened electronically under Article 16 of Circular 17/2024/TT-NHNN, the legal representative may still undergo online biometric verification without having to meet the bank directly.) ➔ Face-to-face meetings (or verification via the application) and the checking of identity documents may be performed at different steps of the process, not necessarily at the moment of direct interaction with the legal representative. Reasons for the proposal: Currently, when in-person meetings are not conducted, banks already apply stringent KYC processes to ensure			information on the identification documents of such person. This does not apply to accounts opened electronically or to foreign investors opening payment accounts for indirect investment activities in Vietnam.) Article 5 of Circular 25 will take effect on 1 December 2025.

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		customer verification. Banks have implemented enhanced risk-based due diligence, focusing more resources on high-risk customers and maintaining continuous monitoring to detect and respond promptly to suspicious activities. Specifically: + Biometric verification of customers' data, identity documents, and chip-based ID card information is conducted in accordance with Circular 17/2024/TT-NHNN. + Additional customer information is collected to ensure compliance with anti-money laundering (AML) regulations and to prevent situations where legal representatives are hired to establish shell companies. + Post-account opening, banks maintain monitoring systems to detect abnormal account or payment transactions and activate review or investigation procedures in line with laws and internal financial crime prevention policies. + Banks are also considering applying technology solutions to support remote biometric verification, thereby reducing the burden of in-person meetings. Article 17.5(c) of Circular 17/2024/TT-NHNN only requires banks to complete verification and matching of identity documents and biometric information; it does not mandate a face-to-face meeting with the organization's legal representative. 2. Regarding the requirement to verify that the phone number of the organization's legal			

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		representative is registered under that individual's name: BWG proposes that banks should not be required to verify that the phone number of the legal representative is a subscriber number officially registered under their identity. <u>Reasons the proposal:</u> + Under Article 14 of Circular 17/2024/TT-NHNN, organizational legal representatives are only required to provide a phone number; there is no requirement that it must be a registered subscriber number of that individual in Vietnam. Customers may provide either a mobile number or a company landline. + There is no legal basis mandating that every Vietnamese citizen or foreign legal representative must have a personally registered subscriber number in Vietnam. In particular, foreign legal representatives who do not reside in Vietnam regularly typically do not possess a Vietnamese mobile number. 3. Regarding the effective date of Official Letter 9102: BWG proposes that the provisions of Official Letter 9102 take effect from July 1, 2025 and apply only to accounts opened from that date onwards. Reason for the proposal: We note that the requirements in Official Letter 9102 are stricter than those in Circular 17/2024/TT-NHNN. At present, banks are already investing significant time			

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		and resources into developing systems and processes to meet the biometric data collection requirements for legal representatives by July 1, 2025, as mandated by Circular 17/2024/TT-NHNN. To avoid disruption and ensure consistency with this roadmap, we propose that SBV allow a reasonable transition period instead of applying the requirements of Official Letter 9102 immediately.			
9.	V. Draft Decree replacing Decree No. 88/2019/ND-CP on sanctions for administrative violations in the field of monetary and banking activities (BWG – Legal & Compliance Subcommittee) (SBV – Banking Supervision Agency)	On December 16, 2024, the BWG submitted Official Letter No. 16122024BWGVBF1 to the SBV's Banking Supervision Agency, outlining several proposals regarding the draft Decree replacing Decree No. 88/2019/ND-CP. Specifically, the BWG proposed: 1. Not to include the measure “compulsory cessation of activity, compulsory cessation of conducting banking activities” in Point k, Clause 4, Article 5 because: (i) This measure has consequences similar to the revocation of a bank's license or the revocation of its license to conduct specific banking activities. The revocation of a banking license is already provided for under Article 36 of the 2024 Law on Credit Institutions; and (ii) Point n, Clause 4 already stipulates that the competent authority shall consider and apply the measure of revoking the banking license as well as licenses for specific banking activities for violations. 2. Add the phrase clarifying “abroad of the commercial	The BWG is awaiting the SBV's issuance of the Decree replacing Decree No. 88/2019/ND-CP.	CONTINUED COORDINATION	

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		bank” in Clause 8.7.d of Circular 32/2024/TT-NHNN on the network of operations of commercial banks, regarding the establishment of a foreign subsidiary of a commercial bank. 3. Adjust the content of Point g, Clause 17.3 to apply administrative penalties only to the act of “Extending credit to an organization or individual that does not provide information or documents, or provides incomplete information or documents, in accordance with the internal regulations on credit extension of the credit institution, excluding information about related parties.” Regarding information on related parties, under Clause 3, Article 102 of the 2024 Law on Credit Institutions and the guiding documents on credit extension (Circular 39 on lending, Circular 20 on factoring, Circular 21 on L/Cs, etc.), providing information on related parties when requesting credit extension is the responsibility of the customer. In practice, credit institutions cannot verify whether the customer has fully provided all information on related parties in accordance with the new definition of related parties set out in Article 4.24 of the 2024 Law on Credit Institutions. Instead, the customer is responsible for providing information about their related parties. Regarding information and documents related to credit			

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		extension approval, Article 102 of the Law on Credit Institutions and its guiding documents only set out the principles, including documents and data demonstrating the customer's financial capacity, a feasible capital use plan, and a lawful purpose of fund usage. They do not specify each type of information or document as mandatory. Based on this principle, each credit institution develops internal regulations specifying the types of information and documents accepted for consideration and approval of credit extension. Implementation within the credit institution is conducted consistently according to the established internal regulations. Therefore, it is proposed to revise the violation in Clause 17.3 of the draft Decree to: “providing incomplete information or documents in accordance with the internal regulations on credit extension of the credit institution” to ensure alignment with practical implementation. In cases where the SBV assesses that a credit institution's internal regulations do not comply with legal requirements, the violation should be considered as “Issuing internal regulations that are incomplete or inconsistent with legal provisions” (already stipulated in Article 10 of the draft Decree). 4. Regarding Clause 2, Article 50, the SBV will consider providing specific guidance on the concepts/definitions of: Non-reporting – completely failing to submit any report on a specific day; Incomplete reporting – missing one of the			

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		three reports (CTR, DWT, or EFT); Missing or erroneous reporting – missing one or more transactions in a specific report Based on Point a, Clause 3, Article 10 of Circular No. 09/2023/TT-NHNN guiding the Law on Anti-Money Laundering, the correcting or supplementing electronic data reports has been specifically provided, including cases of missing or erroneous reports. Therefore, the definition of violations should also be consistent with the scope of these provisions to avoid different interpretations of the same regulation. At present, banks are making every effort to automate the reporting process for large-value transactions, electronic fund transfers, and suspicious transactions. However, some steps still involve manual data input or there are exceptions due to external factors. As a result, there remains a small possibility of missing or incorrect information in a report. Being aware of this, as well as the importance of accurate and complete reporting, banks have established pre- and post-reporting control measures to proactively review and detect any missing or erroneous cases and promptly make necessary corrections. The bank respectfully requests that the SBV consider the proposed scenarios so that violations can be addressed appropriately, while also encouraging credit institutions to proactively detect errors, report them			

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		voluntarily, and promptly update accurate information. Incomplete reporting is considered less severe than non-reporting; therefore, a lighter penalty should be applied compared to non-reporting. It is proposed to quantify the number of violations based on the reporting frequency in order to apply penalties appropriate to each type of report. Specifically: • Violations of daily reports occurring 5 times or more; • Violations of reports with a frequency of less than one month occurring 3 times or more; • Violations of reports with a frequency of more than one month occurring 2 times or more within a financial year will be subject to penalties For certain cases due to objective reasons, such as reporting system connection errors or situations where the credit institution has proactively detected incomplete reports and voluntarily submitted supplements, it is proposed that the SBV consider not imposing penalties. 5. It is proposed to adjust the content of Article 55 as			

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		follows: <i>Violations of requirements regarding deadlines and completeness shall apply from the 5th occurrence or more within a financial year for reports with a daily frequency, from the 3rd occurrence or more for reports with a frequency of less than one month, or from the 2nd occurrence or more for reports with a frequency of more than one month.</i> <i>Penalties shall not apply in cases where reports are late or incomplete due to connection errors with the SBV's reporting system.</i> <u>Rationale for the proposal:</u> The large number of reports and the volume of information required (especially with changes to credit information reports under Circular 15/2023) create significant pressure on credit institutions. Although banks have made significant efforts to improve the quality of statistical reporting, errors due to objective reasons beyond their control, such as system failures or technical issues, cannot be entirely avoided, which may result in delayed or incomplete reports. Add a provision stating that for issues or violations proactively detected and reported by the bank to the SBV, a lower penalty than those specified in the draft			

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		Decree may be considered. The consideration of leniency for violations proactively detected by banks has been acknowledged by the SBV in Circular 52/2018/TT-NHNN on the classification of credit institutions and foreign bank branches (as amended and supplemented by Circular 23/2021/TT-NHNN). Accordingly, Article 16.5 of the Circular stipulates that for cases of violations proactively detected and reported by a credit institution or foreign bank branch, 0.05 points will be deducted from the qualitative indicator group for each violation (compared to 0.1 points deducted for each violation detected by the competent authority).			
10.	VI. The draft Circular replacing Circular 21/2012/TT-NHNN regulates lending, borrowing, and term-based buying and selling of valuable	On December 20, 2024, the BWG submitted Official Letter No. 20122024BWGVBF to the SBV to provide feedback on certain contents of the Draft Circular replacing Circular 21/2012/TT-NHNN, which regulates lending, borrowing, and term-based buying and selling of valuable papers between credit institutions and foreign bank branches (“Draft Circular”). Specifically, the BWG made the following proposals: 1. Regarding Article 1.2.c and Article 29 of the Draft Circular - The BWG proposes amending Point c, Clause 2, Article 1 (specifically, removing the phrase “depositing, receiving deposits”) and adding Clause 4 to Article 29,	The BWG is awaiting the issuance of the Circular replacing Circular 21/2012/TT-NHNN.	CONTINUED COORDINATION	<u>2025:</u> Response from the Monetary Policy Department under Official Letter No. 2297/CSTT3 dated 05 November 2025: 1.1. Regarding the recommendation on the draft Circular replacing Circular 21/2012/TT-NHNN (Item 12, pages 35–42): BWG’s comments in

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	papers between credit institutions and foreign bank branches (BWG – Legal & Compliance Subcommittee and Financial Market Subcommittee) (SBV – Monetary Policy Department)	as follows: <i>“Article 1. Governing Scope</i> <i>2. The following activities are not governed by this Circular:</i> <i>c) Lending and borrowing activities between branches of the same foreign bank in Vietnam;”</i> - The BWG also proposes adding Clause 4 to Article 29 as follows: <i>“4. The provisions of Clause 2, Article 8; Clause 1, Article 10; Articles 13, 14, 15, 17, and 18 are not mandatory for deposit and receipt of deposits between branches of the same foreign bank in Vietnam. These activities shall be conducted in accordance with the internal regulations of the foreign bank.”</i> 2. The BWG proposes to remove Point d, Clause 2, Article 1 and to add the Overdraft Lending Method (Form) in Clause 1, Article 8: <i>“Article 1. Governing Scope</i> <i>2. The following activities shall not be governed by this Circular:</i> ...			Official Letter No. 20122024BWGVBF dated 20 December 2024 on certain provisions of the draft Circular replacing Circular 21/2012/TT-NHNN, which regulates lending, borrowing, and term-based purchase and sale of valuable papers among credit institutions and foreign bank branches, have been received by the SBV. The draft Circular is currently still under finalization according to the planned schedule.

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		<i>d) Opening and using payment accounts between credit institutions and foreign bank branches;”</i> <i>“Article 8. Forms of Lending, borrowing, depositing, and receiving deposits</i> <i>1. The parties may agree to apply lending, borrowing, depositing, or receiving deposits on a per-transaction basis, by credit limit, overdraft (for lending), or other forms, ensuring that transactions are conducted safely and efficiently, and in compliance with the relevant provisions of current law.”</i> 3. Regarding Article 3.2, the BWG proposes to amend and supplement the underlined words/phrases as follows: <i>“2. Depositing and Receiving Deposits refers to a transaction in which a credit institution or a foreign bank branch (the depositor) deposits or <u>commits to deposit</u> an amount of money at another credit institution or foreign bank branch (the recipient) for a specified period, on the principle of full repayment of principal and interest as agreed.”</i> 4. Regarding Articles 3.24 and 3.2.5, the BWG proposes the following amendments: <i>“4. Loan term is the period calculated from the day following the loan date to the due date of the loan,</i>			

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		<i>including weekends and public holidays.</i> <i>5. Deposit term is the period calculated from the day following the deposit date to the maturity date of the deposit, including weekends and public holidays.”</i> 5. The BWG proposes to amend Article 5 as follows: <i>“Article 5. Forms of Transactions</i> <i>1. Credit institutions and foreign bank branches shall conduct lending, borrowing, depositing, receiving deposits, and term-based buying and selling of valuable papers with other credit institutions or foreign bank branches <u>through transactions by telephone or in writing (including paper documents or via electronic means in accordance with the law on electronic transactions)</u>.</i> <i>2. The choice of transaction <u>method</u> shall be mutually agreed upon by the parties in accordance with the conditions of each credit institution or foreign bank branch and must ensure that transactions are conducted safely, efficiently, and in compliance with the law.”</i> 6. The BWG proposes to amend Article 8 as follows: <i>“Article 8. <u>Methods</u> of lending, borrowing, depositing, and receiving deposits</i> <i>1. The parties may agree to apply <u>method</u> of lending,</i>			

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		<i>borrowing, depositing, or receiving deposits on a per-transaction basis, by credit limit, or by other methods, ensuring that transactions are conducted safely and efficiently, and in compliance with the relevant provisions of current law.</i> <i>2. In cases where lending or depositing is conducted based on a credit limit, with a minimum review frequency of once per year, the lender or depositor shall assess, evaluate, and determine an appropriate credit or deposit limit for the borrower or deposit recipient. The credit or deposit limit must be approved by the authorized person of the lender or depositor.”</i> 7. The BWG proposes to amend Article 9 as follows: <i>“A credit institution or foreign bank branch shall repay principal and interest in the same currency in which it borrows or receives a deposit, except in cases where borrowing or depositing in foreign currency allows repayment of principal and interest in Vietnamese dong or <u>another foreign currency</u> as agreed between the parties.”</i> 8. The BWG proposes to amend Article 13.1 as follows: <i>“1. A lending transaction agreement between credit institutions or foreign bank branches shall include at a</i>			

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		<i>minimum the following contents:</i> <i>a) Information about the lender, the borrower, or the depositor and deposit recipient;</i> <i>b) <u>Method</u> of lending or depositing;</i> <i>c) Date of lending or depositing; loan or deposit term; and the maturity date of the loan or deposit;</i> <i>d) Currency of the loan or deposit and repayment;</i> <i>đ) Amount of the loan or deposit;</i> <i>e) Interest rate of the loan or deposit;</i> <i>g) Form of collateral for the loan (if any);</i> <i>h) Payment instruction;</i> <i>i) Authorized person confirming the transaction;</i> <i>k) Rights and obligations of parties;</i> <i>l) Provisions on amendment to the loan or deposit agreement during its term (if any);</i> <i>m) Provisions on dispute resolution, penalties for overdue payments, handling of collateral, and extension of the loan or deposit term (if any);</i> <i>n) Other agreements related to the loan or deposit</i>			

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		<i>between the parties (if any)."</i> 9. The BWG proposes to amend Article 15.2 as follows: <i>"2. The content of the transaction confirmation shall be agreed upon by the parties but must include at a minimum the following information:</i> <i>- Names of the parties entering into the transaction;</i> <i>- Transaction date;</i> <i>- Content of transaction;</i> <i>- Transaction value;</i> <i>- Interest of the transaction;</i> <i>- Transaction term;</i> <i>- Transaction collateral type (if any);</i> <i>- Payment method; and</i> <i>- Approval by the authorized person confirming the transaction."</i> 10. The BWG proposes to amend Article 15.3 as follows: <i>"In cases where the transaction confirmation is in</i>			

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		<i>paper form, the parties may send the confirmation via fax or attach it by email, but must exchange the original document within 10 working days from the transaction date.”</i> 11. The BWG proposes to amend Article 16.3 as follows: <i>“3. The total loan term, including any extensions, shall not exceed 12 months.”</i> 11. The BWG proposes to amend Article 17 as follows: <i>“Credit institutions and foreign bank branches may agree on extending the deposit term (if any) in the deposit agreement. The total deposit term, including any extensions, shall not exceed 3 months.”</i> 12. The BWG proposes to amend Article 18 as follows: <i>“The lender or depositor may transfer all or part of the principal balance of the loan or <u>deposit</u> to overdue debts if the borrower or deposit recipient fails to repay on time according to the agreement and the lender or depositor does not agree to extend the loan term, adjust the repayment schedule, or <u>the depositor does not agree to extend the deposit term.</u>”</i>			

No.	Issues / SBV Departments in charge/ Relevant Documents	Detailed content	Processing progress & Response of SBV/ Ministries (2024 - 2025)	Conclusions & Recommendations of BWG (2025)	Feedback from SBV Departments/Divisions (.....)
		13. The BWG proposes to amend Article 20.2.c as follows: <i>“2. Term-based valuable papers to be bought or sold must meet the following conditions:</i> <i>c) Be the lawful property of the seller, <u>permitted for trading under applicable laws and the terms and conditions of the valuable papers</u>, free of disputes, and not currently used as collateral for other obligations.”</i> 16. Other contents not specified in the draft circular: The BWG proposes to add Article 19. lending, borrowing, depositing, and receiving deposits between branches of the same foreign bank in Vietnam. Lending, borrowing, depositing, and receiving deposits between branches of the same foreign bank in Vietnam shall be conducted in accordance with the internal regulations of that foreign bank regarding fund transfers and shall not be subject to Articles 10 and 12–18 of this Circular.			

A.2. NEW ISSUES ARISING IN 2025 (02 ISSUES)

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendations of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
11.	Difficulties in the Implementation of Circular No. 50/2024/TT-NHNN dated October 31, 2024 of the State Bank of Vietnam on Regulations on Safety and Security in the Provision of Online Services in the Banking Sector ("Circular 50") (BWG – Legal & Compliance Subcommittee and IT Subcommittee) (SBV – Department of	On February 4, 2025, BWG submitted Official Letter No. 04022025BWGVBF to the SBV to present difficulties encountered during the implementation of Circular No. 50/2024/TT-NHNN. 1. Confirmation of implementation approach for other online transactions (non-payment transactions) processed in a straight-through process under Circular 50 Based on the review of relevant provisions of Circular 50 and risk assessments, BWG would like to confirm with SBV that the implementation of straight-through processing for other online transactions is consistent with the requirements on safety and security for the provision of online services in the banking sector as stipulated in Circular 50. 2. Other difficulties in implementing Circular 50 2.1. Articles 2.2 and 2.5: BWG requests SBV's guidance on the legal basis for the use of transaction authentication methods for customer transactions conducted via third-party platforms, in accordance with Article 22.4 of the Law on Electronic Transactions regarding	BWG is waiting for response from the SBV.	CONTINUED COORDINATION	

Group 1: Issues under the authority of the SBV
A. Group of Unresolved Issues
A.2. New Issues Arising in 2025

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendations of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
	Information Technology)	“other forms of authentication by electronic means that are not electronic signatures,” and the application of such methods in line with relevant laws. 2.2. Article 3.3(a): BWG requests SBV’s confirmation that “customer identification information” should be understood as the information defined in Decree 117/2018/ND-CP on confidentiality and provision of customer information by credit institutions and foreign bank branches. 2.3. Articles 7.6, 9.1 and 11.3: BWG requests SBV’s confirmation of BWG’s understanding that banks and foreign bank branches may design their own solutions to verify and recognize customers in these cases (e.g., sending verification codes via SMS/email to the phone number/email address previously registered with the bank, using security questions, etc.), and that such solutions should not be considered customer identification activities under the anti-money laundering laws cited above. 2.4. Article 7.3(d): Banks can only notify customers in cases where the customer installs, logs in, or uses the application on unsafe OS versions. BWG			

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.2. New Issues Arising in 2025

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendation s of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
		therefore understands that such notification would satisfy the requirement under Article 7.3(dd). BWG requests SBV's confirmation of this interpretation. 2.5. Article 7.9: Given the explanations and difficulties raised by card-issuing banks in implementing the provisions of Circular 50/2024/TT-NHNN regarding authentication of card payment transactions (as presented in the "Rationale for Proposal" section), BWG respectfully requests SBV's guidance on the interpretation of these provisions. In addition, based on technical feasibility, BWG requests detailed guidance on the responsibilities and obligations of relevant parties in executing online card payment transactions to ensure compliance with Circular 50/2024/TT-NHNN, while avoiding disruptions to customer transactions with domestic and international merchants/payment intermediaries.			
12.	Comments on the accounting regime for credit institutions and foreign bank branches	On March 4, 2025, BWG submitted Official Letter No. 04032025BWGVBF to the Finance and Accounting Department – SBV, proposing that the SBV consider revising certain provisions relating to the accounting regime for credit institutions and foreign bank branches. 1. Issuance of a new Circular to consolidate	BWG is waiting for the SBV to issue a circular guiding this issue.	CONTINUED COORDINATION	Response of the FAD to the ICD in 2025: Regarding the proposal to develop an accounting regime

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.2. New Issues Arising in 2025

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendations of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
	(BWG – Legal & Compliance Subcommittee and Finance and Accounting Subcommittee) (SBV – Department of Finance and Accounting)	accounting regulations for credit institutions and foreign bank branches At present, the system of regulations and guidelines on the accounting regime applicable to credit institutions and foreign bank branches has been issued by the SBV for more than 20 years through numerous separate documents, often limited in scope, and amended repeatedly. This causes difficulties for credit institutions and foreign bank branches in referencing, updating, storing, and applying accounting regulations. In addition, reviewing and amending separate documents is time-consuming not only for the SBV but also for credit institutions and foreign bank branches. - Proposal: + The SBV consider issuing a new circular consolidating all regulations on accounting applicable to credit institutions and foreign bank branches, and repealing previous scattered regulations. + The SBV should structure the new regulation in a comprehensive, systematized manner covering all aspects of the accounting regime. + The chart of accounts should be designed in an open and flexible way to allow timely adjustments for new reporting and supervisory			for CIs similar to Circular No. 200 of the Ministry of Finance applicable to enterprises: The FAD considers that this proposal is not suitable for banking activities for the following reasons: + Banking transactions, products, and services are diverse, specialized, and frequently updated or improved. + CIs have advanced information technology systems and regularly apply

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.2. New Issues Arising in 2025

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendations of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
		requirements. 2. Updating the chart of accounts and accounting guidance for newly issued regulations In recent years, a large number of new regulations relevant to banking operations have been issued to align with the amended Law on Credit Institutions and other legal instruments. However, the SBV has not yet updated the chart of accounts and accounting guidance accordingly. - Proposal: + Issue specific regulations on accounts and accounting treatment for letters of credit (L/C). + Issue specific regulations on accounts and accounting treatment for factoring transactions. 3. Consolidated guidance on accounting for specific banking operations Currently, the SBV has issued a number of separate official letters guiding accounting for certain specialized banking operations. However, some inconsistencies remain regarding the accounting and financial statement presentation of derivative instruments. - Proposal: + The SBV issue a consolidated regulation amending and supplementing accounts and			new, modern technologies, resulting in the creation of new, diversified products. Each CI has its own accounting and operational software system. Therefore, so far, the accounting regime applicable to CIs issued by the SBV has traditionally covered only the core components (chart of accounts, financial reporting regime, accounting documents, and accounting guidance for key specialized operations).

Group 1: Issues under the authority of the SBV
A. Group of Unresolved Issues
A.2. New Issues Arising in 2025

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendation s of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
		accounting guidance for specific operations such as derivatives, securities investments, and inter-credit insitutions trading of valuable papers. + Introduce dedicated accounts for derivatives with clear account structures and entries to ensure full recognition of derivative assets/liabilities at fair value, and consistency in financial statement presentation (derivative assets/liabilities may be recorded either under a dual-purpose account, or separately under financial asset accounts and financial liability accounts). + Revise existing guidance on derivatives to: (i) distinguish accounting between derivatives for trading and hedging purposes; (ii) clarify principles and methods for determining fair value for each derivative instrument; (iii) prohibit offsetting derivative assets and liabilities in the balance sheet and disclosures; (iv) require periodic recognition of profit/loss from fair value changes in the income statement rather than waiting until year-end. 4. Financial statement presentation The current set of templates (Statement of Financial Position, Income Statement, Cash Flow Statement, and Notes) are prescribed in separate			Specifically: The chart of accounts includes the list of accounts and accounting content for each account. Based on this framework, CIs can easily perform arising transactions. Guidance on accounting for specific transactions: For new or key operations in the activities of CIs, the SBV issues specific guidance on booking (e.g., financial instruments, credit operations). For normal transactions (e.g.,

Group 1: Issues under the authority of the SBV
A. Group of Unresolved Issues
A.2. New Issues Arising in 2025

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendation s of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
		regulations and amendments. Indicators under the templates are not assigned unique codes, and no related instructions are embedded in templates. Some indicators lack coherence between account entries, accounting guidance, and financial statement presentation, and do not yet align with international standards. - Proposal: + Building on the current templates, the SBV should issue a set of financial statement templates as part of the accounting regime regulation applicable to credit institutions together with relevant regulations on creating and presenting financial statements. For each item in the financial statement templates, the SBV is requested to consider assigning a unique code to each item, accompanied by an annex providing detailed guidance on how to present each item according to its code (with cross-references to the trial balance of accounting accounts, as well as between the notes to the financial statements and the financial statement templates). + Review and revise the guidance on presenting relevant indicators under FS template in line with the updated chart of accounts, accounting treatment and international best practices. 5. Electronic signatures on accounting			booking for fixed assets, tools, and equipment), CIs follow the enterprise accounting regime. The SBV's current issuance of accounting regime ensures flexibility and autonomy for CIs and is appropriate for their operational products, scale, and IT systems. If the SBV were to issue a comprehensive, transaction-by-transaction accounting regulation for all CI activities, the following issues

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.2. New Issues Arising in 2025

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendations of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
		vouchers The requirement for mandatory electronic signatures on accounting documents is no longer consistent with the 2023 Law on Electronic Transactions. - Proposal: - The SBV issue a new Circular to replace Decision No. 1789/2005/QĐ-NHNN dated December 12, 2005 on banking accounting vouchers, aligning with Law No. 56/2023/QH15. - The SBV consider supporting a proposal to the Ministry of Finance (the authority in charge of drafting the revised Law on Accounting) to amend relevant accounting guidance accordingly. 6. Other difficulties relating to banking accounting vouchers under Decision 1789 - Proposal: + The SBV support proposing to the Ministry of Finance appropriate amendments to the Law on Accounting, and concurrently issue a regulation replacing Decision 1789 to address practical issues in banking operations. + BWG hopes that the SBV will further enhance the legal framework and issue circulars on the accounting regime for credit institutions and foreign bank branches in line with modernization and international integration of Vietnam's			would arise: Due to the large volume, diversity in types, and complexity in procedures of CI operations, such a regulation would be extremely extensive—much more voluminous than Circular No. 200 of the Ministry of Finance. + CIs frequently introduce new products, especially in the context of rapid technological development. Each time a new product arises, the SBV would have to amend the legal regulations

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.2. New Issues Arising in 2025

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendation s of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
		banking system.			accordingly. Frequent amendments would create implementation challenges for applicable units and increase administrative workload for state agencies. Moreover, the issuance of prescriptive accounting rules would create difficulties for CIs as they use diverse accounting software systems. + Regarding guidance for newly arising operations: The SBV has issued Official

Group 1: Issues under the authority of the SBV

A. Group of Unresolved Issues

A.2. New Issues Arising in 2025

No.	Issues/ SBV's Departments in charge/ Related documents	Detailed content	Processing progress & Response of SBV/Ministries (2024 - 2025)	Conclusion & Recommendation s of BWG (2025)	Responses from the State Bank Departments and Agencies (.....)
					Letter No. 4848/NHNN-TCKT dated 11 June 2025 providing booking guidance for letters of credit. Currently, the FAD is reviewing the entire accounting regime for CIs to propose an overall approach (including guidance on new and specific operations, financial statements, chart of accounts, accounting documents, etc.).

RESOLVED ISSUES (37 ISSUES)
B1. OUTSTANDING ISSUES FROM 2024 (33 ISSUES)

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
13.	Non-cash payment services according to Circular 15/2024/TT-NHNN (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Payment Department)	On September 16, 2024, BWG sent Official Letter No. 16092024BWGVBF to the Payment Department of the SBV, requesting guidance on certain provisions of Circular No. 15/2024/TT-NHNN regarding the provision of non-cash payment services.	The SBV responded to some of BWG's questions through its general reply regarding payment-related circulars in Official Letter No. 8396/NHNN-TT dated October 14, 2024.	DONE
14.	VII. Opening and using a payment account at a payment service provider in accordance with Circular No. 17/2024/TT-NHNN (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Payment Department)	On August 16, 2024, BWG sent Official Letter No. 16082024BWGVBF dated August 16, 2024 to the SBV, requesting guidance on certain provisions of Circular No. 17/2024/TT-NHNN.	The SBV responded to some of BWG's questions through its general reply regarding payment-related circulars in Official Letter No. 8396/NHNN-TT dated October 14, 2024.	DONE
15.	Circular 18/2024/TT-NHNN on bank card activities (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Payment Department)	On August 30, 2024, BWG sent Official Dispatch No. 30082024BWGVBF asking for guidance on some contents in Circular 18/2024/TT-NHNN regulating bank card activities. :	The SBV responded to some of BWG's questions through its general reply regarding payment-related circulars in Official Letter No. 8396/NHNN-TT dated October 14, 2024.	DONE
16.	Circular 22/2024/TT-NHNN amending Circular 50/2018/TT-NHNN regulating the dossier, order and procedures for approving changes in	Before Circular 22 was issued, BWG sent comments related to the Draft Circular.	Circular 22/2024/TT-NHNN was issued on June 28, 2024, amending and supplementing a number of articles of Circular 50/2018/TT-NHNN. However,	DONE

Group 1: Group of issues under the authority of the SBV

B. Group of Resolved Issues

B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	the content of commercial banks and foreign bank branches. (BWG – Legal & Compliance Subcommittee) (SBV – Banking Supervision and Inspection Agency)		Circular 22 did not acknowledge BWG's proposals.	
17.	Circular No. 34/2024/TT-NHNN amending Circular No. 40/2011/TT-NHNN on the licensing, organization, and operation of commercial banks, branches of foreign banks, representative offices of foreign credit institutions, and other foreign organizations conducting banking activities in Vietnam (BWG – Legal & Compliance Subcommittee) (SBV – Banking Supervision and Inspection Agency)	Prior to the promulgation of Circular No. 34, BWG submitted its comments on the draft circular. One of BWG's key recommendations was to propose the removal of the provision "except for investment-linked insurance products" in the clause on insurance agency activities under the draft Decree.	Circular 34 was issued on June 30, 2024.	DONE
18.	Circular 31/2024/TT-NHNN regulating the classification of assets in the operations of commercial banks, non-bank credit institutions, and foreign bank branches (BWG – Legal & Compliance and Risk Management) (NHNN – Banking Supervision and Inspection Agency)	Before Circular 31 was issued, BWG sent comments related to the Draft Circular.	Circular 31 was issued on June 30, 2024.	DONE

Group 1: Group of issues under the authority of the SBV
B. Group of Resolved Issues
B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
19.	Circular No. 12/2024/TT-NHNN amending Circular No. 39/2016/TT-NHNN on lending activities of credit institutions and branches of foreign banks to customers (BWG – Legal & Compliance Subcommittee) (SBV - Monetary Policy Department)	Before Circular 12 was issued, BWG sent comments related to the Draft Circular.	Circular 12 was issued on June 28, 2024.	DONE
20.	Circular No. 10/2024/TT-NHNN amending Circular No. 22/2018/TT-NHNN providing guidance on procedures and application dossiers for the approval of the proposed personnel list of commercial banks, non-bank credit institutions, and branches of foreign banks (BWG – Legal & Compliance Subcommittee) (SBV – Banking Supervision and Inspection Agency)	Before Circular 10 was issued, BWG sent comments related to the Draft Circular.	Circular 10 was issued on June 28, 2024.	DONE
21.	Circular No. 38/2024/TT-NHNN on regulations on consultancy activities of credit institutions and branches of foreign banks (BWG – Legal & Compliance Subcommittee) (SBV – Legal Department)	Before Circular 38 was issued, BWG sent comments related to the Draft Circular.	Circular 38 was issued on July 1, 2024.	DONE
22.	Circular 35/2024/TT-NHNN on the	- Before Circular 35 was issued, BWG sent	- The State Bank has not accepted one	DONE

Group 1: Group of issues under the authority of the SBV

B. Group of Resolved Issues

B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	reissuance and supplementation of licenses and on the organization and operation of institutions (BWG – Legal & Compliance Subcommittee) (SBV – Banking Supervision and Inspection Agency)	comments related to the Draft Circular.	of the BWG's recommendations.	
23.	Circular No. 19/2024/TT-NHNN amending Circular No. 08/2023/TT-NHNN on conditions for foreign loans not guaranteed by the Government (BWG – Legal & Compliance Subcommittee) (SBV – Foreign Exchange Management Department)	Before Circular 19 was issued, BWG sent comments related to the Draft Circular.	Circular 19 was issued on June 28, 2024.	DONE
24.	VIII. Updating the blacklist related to terrorist organizations as required under Decree No. 122/2013/ND-CP dated October 11, 2013 (BWG – Anti-Money Laundering Committee) (SBV – Anti-Money Laundering Department)	On May 22, 2024, BWG sent Official Letter No. 22052024BWGVBF-02 to the SBV, requesting guidance on certain matters related to the updating of the blacklist.	On July 17, 2024, the Anti-Money Laundering Department issued Official Letter No. 359/V.1 Division in response to BWG's inquiries.	DONE
25.	IX. Reporting of electronic funds transfer transactions under the new reporting templates (RTR: DWT and EFT)	Reporting of electronic funds transfer transactions in accordance with the new reporting templates (RTR: DWT and EFT). BWG submitted its comments regarding the	- The Banking Supervision Agency and the Anti-Money Laundering Department held meetings on February 2, 2024, and March 1, 2024.	DONE

Group 1: Group of issues under the authority of the SBV
B. Group of Resolved Issues
B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	(BWG – Anti-Money Laundering Subcommittee) (SBV – Department of Credit Institutions)	implementation of reporting of electronic funds transfer transactions under the new reporting templates (RTR: DWT and EFT).	- At the meeting on March 1, 2024, the Anti-Money Laundering Department communicated the SBV leadership's orientation regarding the plans for implementing the new system and provided relevant guidance. For certain issues that were not addressed during the meeting, BWG highly appreciates the Department's representatives for their proactive follow-up research and subsequent engagement to continue guiding foreign banks in implementing compliance in line with the applicable legal regulations.	
26.	Workday rescheduling on the occasion of the Victory Day (30 April) and International Labor Day (1 May) holidays (BWG - Legal & Compliance Subcommittee and Human Resources Subcommittee) (SBV - Banking Supervision Agency, Transaction Office)	Following internal surveys and discussions, BWG submitted a proposal regarding the rescheduling of workdays on the occasion of the Victory Day (April 30) and International Labor Day (May 1) holidays.	As BWG did not receive a response from the SBV prior to the holiday period, each BWG member independently considered and adopted an approach appropriate to its own circumstances.	DONE
27.	Circular 08/2024/TT-NHNN regulating the management, operation and use of the national interbank electronic payment system (BWG - Legal & Compliance	BWG sent Official Letter No. 16082024VBFBWG to the SBV, requesting guidance on certain matters related to Circular No. 08/2024/TT-NHNN.	- On August 28, 2024, BWG submitted a letter proposing a meeting with the leadership of the Payment Department to discuss the proposal for extending the deadline for submitting the commitment	DONE

Group 1: Group of issues under the authority of the SBV

B. Group of Resolved Issues

B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	Subcommittee and Transactional Banking Subcommittee (SBV – Payment Department)		form under Form No. TTLNH-22 (Issue No. 1). - On September 6, 2024, BWG held a meeting with the Payment Department of the SBV, at which the Department addressed several key issues. - On September 13, 2024, the SBV issued Official Letter No. 7584/NHNN-TT in response to Official Letter No. 16082024VBFBWG dated August 16, 2024, from BWG.	
28.	Decree 52/2024/ND-CP on non-cash payments (BWG Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV – Payment Department)	- On May 15, 2024, the Government promulgated Decree No. 52/2024/ND-CP on non-cash payments, replacing Decree No. 101/2012/ND-CP. - Following the SBV's Conference on June 21, 2024, to disseminate Decree No. 52/2024/ND-CP of the Government on non-cash payments, BWG sent Official Letter No. 25062024BWGVBF dated June 25, 2024, seeking clarification on certain points of Decree No. 52	- The SBV issued Official Letter No. 6172/NHNN-TT providing detailed responses to BWG's issues concerning Decree No. 52.	DONE
29.	X. Draft Circular replacing Circular No. 35/2016/TT-NHNN on safety and security in the provision of Internet banking services (BWG - Legal Subcommittee and IT	- On July 3, 2024, July 25, 2024, and August 8, 2024, BWG submitted to the SBV Official Letters No. 03072024BWGVBF, No. 25072024VBFBWG, and No. 08082024BWGVBF, respectively, presenting its comments on the Draft Circular replacing	- The Information Technology Department and BWG actively coordinated in the drafting process of the Draft Circular replacing Circular No. 35/2016/TT-NHNN." - On August 19, 2024, BWG	DONE

Group 1: Group of issues under the authority of the SBV
B. Group of Resolved Issues
B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	Subcommittee) (SBV - Department of Information Technology)	Circular No. 35/2016/TT-NHNN on safety and security in the provision of Internet banking services." - On August 20, 2024, BWG submitted to the SBV Official Letter No. 20082024BWGVBF dated August 20, 2024, presenting its comments on the second draft of the Circular replacing Circular No. 35/2016/TT-NHNN on safety and security in the provision of Internet banking services."	participated in a consultation meeting on the second draft of the Circular replacing Circular No. 35, organized by the SBV's Information Technology Department." - BWG submitted detailed written comments on the second and fourth drafts to the SBV's Information Technology Department on August 20, 2024, and September 12, 2024, respectively." - On November 14, 2024, the SBV promulgated Circular No. 50/2024/TT-NHNN dated October 31, 2024, on safety and security in the provision of online banking services, replacing Circular No. 35/2016/TT-NHNN."	
30.	XI. Circular No. 40/2024/TT-NHNN providing guidance on payment intermediary services (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Payment Department)	On October 3, 2024, BWG submitted to the Payment Department of the SBV Official Letter No. 03102024BWGVBF, presenting several proposals related to Circular No. 40/2024/TT-NHNN.	The SBV responded to some of BWG's questions through its general reply on payment-related circulars in Official Letter No. 8396/NHNN-TT dated October 14, 2024.	DONE
31.	Circular 07/2024/TT-NHNN regulating payment agent activities (BWG - Legal & Compliance Subcommittee and Transactional	- On October 9, 2024, BWG sent Official Letter No. 09102024BWGVBF to the SBV, requesting guidance on certain provisions of Circular No. 07/2024/TT-NHNN. In particular, BWG sought	On November 1, 2024, BWG received Official Letter No. 8864/NHNN-TT dated October 28, 2024, from the SBV, addressing the issues encountered	DONE

Group 1: Group of issues under the authority of the SBV
B. Group of Resolved Issues
B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	Banking Subcommittee) (SBV - Payment Department)	clarification on the criteria for determining whether an activity qualifies as a payment agency activity under Circular No. 07.	during the implementation of Circular No. 07 (the "Official Letter 8864").	
32.	XII. First Draft Circular replacing Circular No. 11/2022/TT-NHNN on bank guarantees (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Department of Credit for Economic Sectors)	- On October 16, 2024, BWG sent Official Letter No. 16102024BWGVBF2 to the SBV, providing comments on Draft No. 1 of the Circular replacing Circular No. 11/2022/TT-NHNN.	The SBV promulgated Circular No. 49/2024/TT-NHNN dated October 25, 2024, amending and supplementing Circular No. 11/2022/TT-NHNN.	DONE
33.	Letter of credit under Circular 21/2024/TT-NHNN (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Department of Credit for Economic Sectors)	- On September 9, 2024, BWG sent Official Letter No. 09092024BWGVBF2 dated September 9, 2024, to the Credit Department of the SBV, requesting guidance on certain provisions of Circular No. 21/2024/TT-NHNN of the State Bank of Vietnam regulating letter of credit operations and other business activities related to letters of credit ("Circular 21").	The SBV issued Official Letter No. 9707/NHNN-TD dated November 26, 2024, in response to Official Letter No. 09092024BWGVBF2 dated September 9, 2024, from BWG.	DONE
34.	XIII. Official Letter No. 8396/NHNN-TT of the State Bank of Vietnam dated October 14, 2024 ("Official Letter 8396") (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Payment Department)	On November 13, 2024, BWG sent Official Letter No. 13112024BWGVBF to the SBV, presenting BWG's comments on the SBV's responses to questions related to the Circular on non-cash payments set out in Official Letter No. 8396.	BWG received the SBV's response through Official Letter No. 10086/NHNN-TT dated December 10, 2024.	DONE
35.	XIV. Issues relating to the	In December 2024, BWG submitted an official	BWG received the SBV's response	DONE

Group 1: Group of issues under the authority of the SBV

B. Group of Resolved Issues

B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	implementation of Circulars on non-cash payments (BWG – Legal & Compliance Subcommittee) (SBV – Payment Department)	letter outlining the issues and related proposals.	through Official Letter No. 10756/NHNN-TT dated December 31, 2024.	
36.	XV. Draft Decree on licensing conditions for credit institutions and branches of foreign banks (BWG – Legal & Compliance Subcommittee) (SBV – Banking Supervision and Inspection Agency)	- BWG submitted its recommendations on the draft Decree via Official Letter No. 12062024BWGVBF dated June 12, 2024.	On December 20, 2024, the Government promulgated Decree No. 162/2024/ND-CP stipulating licensing conditions for people's credit funds and microfinance institutions, as well as conditions applicable to owners of one-member limited liability credit institutions, founding shareholders, and founding members.	DONE
37.	XVI. Difficulties and concerns relating to Circular No. 51/2024/TT-NHNN dated November 29, 2024 of the SBV (BWG – Internal Audit and Risk Management Subcommittee) (SBV – Banking Supervision and Inspection Agency)	On December 24, 2024, BWG sent Official Letter No. 24122024BWGVBF to the Banking Supervision Agency of the SBV to raise certain concerns relating to Circular No. 51. In particular, BWG requested the SBV to confirm that credit institutions would not be required to appoint an independent audit firm to conduct an independent audit of the internal control system and the operation of the internal control system with respect to the internal capital adequacy assessment process (ICAAP) as stipulated under Circular No. 24 for the financial year 2024.	The SBV responded to BWG through Official Letter No. 255/TTGSNH6 dated January 17, 2025.	DONE
38.	Circular 20/2024/TT-NHNN on regulations regarding factoring and	- On November 11, 2024, BWG sent Official Letter No. 11112024BWGVBF to the SBV	On February 13, 2025, BWG received Official Letter No. 847/NHNN-TD	DONE

Group 1: Group of issues under the authority of the SBV

B. Group of Resolved Issues

B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	other services related to factoring provided by credit institutions and branches of foreign banks (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Department of Credit for Economic Sectors)	requesting guidance on certain provisions of Circular 20.	dated February 11, 2025 from the SBV.	
39.	Second Draft Circular replacing Circular 11/2022/TT-NHNN on regulations on guarantees (BWG Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Department of Credit for Economic Sectors)	On November 29, 2024, BWG sent Official Letter No. 29112024BWGVBF to the Credit Department of Economic Sectors of the SBV to provide comments on Draft 2 of the circulars replacing Circular 11/2022/TT-NHNN.	The SBV issued Circular 61/2024/TT-NHNN dated December 31, 2024.	DONE
40.	Draft Circular replacing Circular No. 41/2016/TT-NHNN on regulations on capital adequacy ratios for banks and foreign bank branches (BWG - Legal & Compliance Subcommittee and Risk Management Subcommittee) (SBV – Banking Supervision and Inspection Agency)	On December 16, 2024, BWG sent Official Letter No. 16122024BWGVBF to the Banking Supervision and Inspection Agency of the SBV to provide comments on certain provisions of the draft Circular replacing Circular No. 41/2016/TT-NHNN (“ Circular 41 ”) on capital adequacy ratios applicable to banks and foreign bank branches (the “ Draft ”).	The SBV issued Circular 14/2025/TT-NHNN dated June 30, 2025, replacing Circular 41/2016/TT-NHNN.	DONE
41.	Draft Decree on the controlled sandbox mechanism for financial technology (Fintech) activities in the	BWG has contributed comments and organized technical meetings to discuss the draft Decree. BWG looks forward to receiving updates on the	The Government issued Decree 94/2025/ND-CP dated April 29, 2025 regulating the controlled sandbox	DONE

Group 1: Group of issues under the authority of the SBV
B. Group of Resolved Issues
B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	banking sector (BWG – Legal & Compliance Subcommittee) (SBV - Payment Department)	progress of this matter.	mechanism in the banking sector.	
42.	Electronic report on anti-money laundering (BWG – Legal & Compliance Subcommittee and AML Committee) (SBV – AML Department)	BWG sent Official Letter No. 09072024BWGVBF to the State Bank of Vietnam raising inquiries regarding the responses of the Anti-Money Laundering Department to the Questionnaire on the Implementation of Electronic Reporting on Anti-Money Laundering (for credit institutions) – Version dated May 15, 2024.	BWG had a direct working session with the Anti-Money Laundering Department on June 9, 2025. During this meeting, the Department provided responses to BWG's questions raised in Official Letter No. 09072024BWGVBF.	DONE
43.	Draft Circular replacing Circular No. 05/2014/TT-NHNN providing guidance on the opening and use of indirect investment capital accounts for the purpose of conducting foreign indirect investment activities in Vietnam (BWG - Legal & Compliance Subcommittee and Transactional Banking Subcommittee) (SBV - Foreign Exchange Management Department)	- On October 25, 2024, BWG sent Official Letter No. 25102024BWGVBF to the State Bank of Vietnam to provide comments on the draft Circular replacing Circular No. 05/2014/TT-NHNN. - On December 4, 2024, BWG subsequently sent Official Letter No. 04122024BWGVBF to the Monetary Policy Department to provide further comments on Articles 5.1 and 5.2 of the draft Circular replacing Circular No. 05/2014/TT-NHNN.	The SBV issued Circular No. 03/2025/TT-NHNN on April 29, 2025, replacing Circular No. 05/2014/TT-NHNN.	DONE
44.	Proposal for a meeting to discuss issues related to the list of terrorist organizations and individuals, terrorist financing, and electronic funds transfer reporting	On November 21, 2024, BWG sent Official Letter No. 21112024BWGVBF to the Anti-Money Laundering Department, proposing a meeting to discuss issues related to the list of terrorist organizations and individuals, terrorist	After the International Cooperation Department (ICD) consulted relevant departments and agencies on issues under the 2025 Cooperation Plan between BWG and the SBV, the Anti-	DONE

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
	(BWG – AML Subcommittee SBV – AML Department)	financing, and electronic funds transfer reporting. On May 22, 2024, BWG sent Official Letter No. 22052024BWGVBF-02 to the Domestic Security Department – Ministry of Public Security (copied to the Anti-Money Laundering Department) regarding updates to the blacklist of terrorist organizations published on the Ministry of Public Security's website. Subsequently, BWG received a response from the Anti-Money Laundering Department via Official Letter No. 359/Cuc V.1 dated July 17, 2024 (“Official Letter 359”), which cited the feedback from the Domestic Security Department in Official Letter No. 3526/ANND-P5 (“Official Letter 3526”). After reviewing the feedback from the Domestic Security Department, BWG understands that, in addition to the list of terrorist organization members or leaders published on the links provided on the Ministry of Public Security's website, banks are required to review court judgments and update information on organizations and individuals such as founders, leaders, commanders, members of terrorist organizations, and the number of defendants convicted of “terrorism” or “terrorism against the people's government”	Money Laundering Department (AMLD) responded to the ICD as follows: this matter does not fall under the state management scope of the State Bank of Vietnam, specifically: - Article 11 of Decree No. 122/2013/ND-CP dated October 11, 2013 of the Government on the suspension of circulation, freezing, sealing, temporary seizure, and handling of money and assets related to terrorism and terrorist financing; the establishment of the list of organizations and individuals related to terrorism and terrorist financing (as amended and supplemented) provides that: <i>“2. The Counter-Terrorism Agency under the Ministry of Public Security is responsible for preparing dossiers, conducting appraisal, and reporting to the Minister of Public Security for consideration of proposals to include in or remove from the list organizations and individuals related to terrorism and terrorist financing...”</i> <i>3. Within 24 hours from the time the competent authority of the United Nations or the competent authorities</i>	

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
		as specified in these judgments into the bank's list of organizations and individuals related to terrorism and terrorist financing. This requirement poses difficulties for banks in managing the list and may lead to inconsistencies in the names of organizations and individuals to be included, as each bank may have different processes and interpretations of the same court judgment. Therefore, we respectfully propose that the Anti-Money Laundering Department of the State Bank of Vietnam (SBV) coordinate with the Ministry of Public Security to consider providing reporting entities with a consolidated "blacklist" in a password-protected Excel format (similar to the Wanted List currently published on the AML Department's electronic portal). This would facilitate timely updates by credit institutions whenever changes occur and help ensure that all banks use a consistent source of the blacklist with complete identification information for each entity, enabling effective customer and transaction screening. In addition, the Domestic Security Department's refusal to agree with BWG's recommendation to classify names according to "high-quality" and "low-quality" criteria has a significant impact on banks' transaction	<i>and persons of Vietnam update information, add to, or remove from the list organizations and individuals related to terrorism and terrorist financing, the Ministry of Public Security shall be responsible for publishing such information on the Ministry's web portal...".</i> Pursuant to the above provisions, the Ministry of Public Security is the agency responsible for establishing the list of organizations and individuals related to terrorism and terrorist financing. Therefore, it is suggested that BWG directly discuss the above-mentioned issues with the Ministry of Public Security. - Regarding this matter, on May 22, 2024, BWG sent Official Letter No. 22052024BWGVBF-02 to the Domestic Security Department – Ministry of Public Security (with a copy to the Anti-Money Laundering Department) concerning the update of the blacklist related to terrorist organizations published on the Ministry of Public Security's website. Based on the opinion of the Domestic Security	

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
		processing. Short names or “low-quality” names can generate a very large volume of alerts due to similarities among Vietnamese names. Currently, under regulatory requirements, banks open accounts for individual customers based on the official name recorded on their Citizen ID card or passport. Beyond screening customers’ official names from ID documents, requiring banks to also screen aliases with short names (consisting of one or two words) of entities on the blacklist creates difficulties in transaction alerts, as these may match information in the transaction’s content field. For names that are very short or commonly used, the screening results in a very high number of false-positive alerts. Moreover, for such alerts, if the matching name is not the account holder, the bank is often unable to obtain third-party information from the customer due to personal data privacy concern when the customers are requested by credit institutions to provide information. Therefore, these alerts generally do not provide sufficient basis to conclude a match with the blacklist, as only part of the information matches and the remaining details cannot be verified. According to Circular 17/2024/TT-NHNN on opening and using payment accounts at	Department in Official Letter No. 3526/ANND-P5 dated July 17, 2024, the Anti-Money Laundering Department issued Official Letter No. 359/CucV.1 to the Banking Working Group – Vietnam Business Forum to provide the information that the Domestic Security Department had given response to issues related to the list of terrorist and terrorist-financing organizations and individuals (enclosed herewith).	

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
		payment service providers and Circular 18/2024/TT-NHNN on bank card activities, depending on the respective effective dates stated in the circulars, the identification documents and biometric information of the account holder or their representative (for individual customers) or the legal representative (for corporate customers) must be accurately matched with that person's biometric data. Considering the biometric verification process that all banks in Vietnam have already implemented or are currently implementing in accordance with the law, we respectfully request that you take into account the practical effectiveness of screening transactions against aliases with short names, so as to enable credit institutions to focus their resources on alerts with a higher probability of accurate matches. In addition, BWG would like to discuss with the AML Department the review of other lists, including the list of unauthorized online games, the list of individuals and organizations involved in fraud, as well as matters requiring clarification related to the Q&A on electronic funds transfer reporting that BWG submitted to your agency on July 9, 2024. Therefore, BWG respectfully proposes a meeting with the AML Department to discuss		

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
		these issues in more detail.		
45.	Circular No. 06/2023/TT-NHNN amending Circular No. 39/2016/TT-NHNN on lending activities of credit institutions and foreign bank branches to customers (BWG – Financial Consumer Subcommittee) (SBV – Monetary Policy Department)	Previously, in 2021 and 2022, the BWG submitted comments on Circular 39 and the draft of Circular 06. After the issuance of Circular 06, the BWG participated in the training session on Circular 06 organized by the SBV, during which we presented and basically received clarification and discussion on several key concerns. The BWG respectfully requests the SBV to provide further guidance on the following two provisions: 1. Clause 2, Article 1 of Circular 06 amending and supplementing Clause 6, Article 8 of Circular 39: According to Clause 6, Article 8, the lending condition for early repayment of debts is that "the loan has not been rescheduled for repayment." In practice, the structuring of loans under Circular 01/2020/TT-NHNN (and its amending and supplementing documents) and Circular 02/2023/TT-NHNN is not reflected in the CIC system. Therefore, the lending credit institution cannot verify this criterion when assessing the loan. The lending credit institution can only (i) request the customer to provide confirmation from the credit institution where the customer has an existing loan, or (ii) rely on	The BWG's key concerns were basically addressed during the SBV's training session on Circular 06. On November 8, 2023, the SBV issued Official Letter No. 8631/NHNN-CSTT in response to various questions related to Circular 06, in order to ensure consistent implementation. The BWG looks forward to receiving the SBV's feedback on this matter. According to Official Letter No. 154/CSTT3 dated January 25, 2024, the Monetary Policy Department has taken note of the BWG's recommendations and will coordinate in addressing them in the coming time. 2025 Response from the Monetary Policy Department under Official Letter No. 2297/CSTT3 dated 05 November 2025 sent to the International Cooperation Department: - Regarding the restructured loans under Circular No. 01/2020/TT-NHNN (and its amending and supplementing regulations) and Circular No. 02/2023/TT-NHNN not reflected in the	

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
		the customer's self-declaration and acceptance of responsibility. In case of requiring the customer to obtain confirmation from the credit institution holding the existing loan may not be feasible if that institution does not provide such confirmation. Therefore, we respectfully request the SBV to consider whether it would be acceptable for the lending credit institution to rely on the customer's self-confirmation? Does "the loan that has not been subject to debt repayment rescheduling" exclude loans that have previously been restructured under Circular 01/2020/TT-NHNN and its amending and supplementing documents (Circular 03/2021/TT-NHNN and Circular 14/2021/TT-NHNN), as well as Circular 02/2023/TT-NHNN?	CIC system: The Monetary Policy Department understands that the CIC has developed reporting templates, which supplement information on customers' loans the term of which have been restructured. Accordingly, credit institutions are able to look up such information. (We respectfully request the Department to refer further to CIC's specific guidance on this matter). - Regarding whether loans the term of which have not yet been restructured exclude loans previously restructured under Circular No. 01/2020/TT-NHNN and its amendments and supplements,—Circular No. 03/2021/TT-NHNN and Circular No. 14/2021/TT-NHNN—and Circular No. 02/2023/TT-NHNN: Clause 6, Article 8 of Circular No. 39/2016/TT-NHNN (as amended and supplemented) provides that credit institutions shall not extend credit for the following capital needs: repayment of foreign loans (excluding foreign loans in the form of deferred goods payment) and credit extensions at other credit institutions, except in cases of	

Group 1: Group of issues under the authority of the SBV

B. Group of Resolved Issues

B.1. Outstanding Issues from 2024

No.	Issue / SBV's Department in charge/Related Documents	Detailed content	Processing progress & Response from the SBV and ministries	Conclusion and Recommendations of BWG
			early repayment of loans that fully meet the following conditions: a) The loan term shall not exceed the remaining term of the existing loan; b) The loan the term of which has not been restructured. Accordingly, Point b, Clause 6, Article 8 of Circular No. 39/2016/TT-NHNN does not provide for any exclusion of loans that were previously restructured under Circular No. 01/2020/TT-NHNN and its amendments and supplements (Circular No. 03/2021/TT-NHNN and Circular No. 14/2021/TT-NHNN), as well as Circular No. 02/2023/TT-NHNN. Based on the above, we request the BWG to reclassify the recommendation regarding Circular No. 06/2023/TT-NHNN into the group of issues already addressed under Section B.	

B2. NEW ISSUES ARISING IN 2025 (04 ISSUES)

TT	Issue/ Responsible Unit	Content	Processing progress Responses from the State Bank and ministries	Conclusion and Recommendations
46.	Decision No. 413/QĐ-CDNH of the Vietnam Banking Trade Union on the promulgation of Regulations on expenditure from trade union funds of banking sector units where grassroots trade unions have not yet been established (BWG - Legal & Compliance Subcommittee and Human Resources Subcommittee) (SBV - Finance Division - Vietnam Banking Trade Union)	- On February 17, 2025, BWG sent Official Letter No. 17022025BWGVBF to the Finance Division of the Vietnam Banking Trade Union to propose recommendations regarding Decision No. 413/QĐ-CDNH of the Vietnam Banking Trade Union on the promulgation of Regulations on expenditure from trade union funds of banking sector units where grassroots trade unions have not yet been established (“Decision 413”).	According to discussions with the Finance Division – the Vietnam Banking Trade Union, provided its response on this matter at the working conference with foreign credit institutions in Vietnam regarding the establishment of grassroots trade unions, organized by the Vietnam Banking Trade Union on the afternoon of February 25, 2024, in Hanoi.	DONE
47.	Official Letter No. 993/NHNN-VP dated February 17, 2025 regarding the signing of documents submitted to the State Bank of Vietnam (BWG - Legal & Compliance Subcommittee and Human Resources Subcommittee) (SBV – SBV Office)	On March 17, 2025, BWG sent Official Letter No. 17032025BWGVBF to the Office of the SBV to present certain difficulties regarding the implementation of Official Letter No. 993/NHNN-VP dated February 17, 2025 on the signing of documents submitted to the SBV.	BWG has received the SBV’s response under Official Letter No. 5239/NHNN-VP dated June 24, 2025.	DONE
48.	Comments on the draft Circular replacing Circular No. 22/2018/TT-NHNN providing guidance on procedures and documentation for the approval of the proposed list of personnel of commercial banks, non-	On June 24, 2025, BWG sent Official Letter No. 23062025BWGVBF to the Department of Credit Institutions’ System Safety to provide comments on the draft Circular replacing Circular No. 22/2018/TT-NHNN providing guidance	The SBV issued Circular 20/2025/TT-NHNN dated July 31, 2025 replacing Circular 22/2018/TT-NHNN.	DONE

Group 1: Group of issues under the authority of the SBV
B. Group of Resolved Issues
B.2. New Issues Arising in 2025

TT	Issue/ Responsible Unit	Content	Processing progress Responses from the State Bank and ministries	Conclusion and Recommendations
	bank credit institutions, and foreign bank branches (BWG – Legal & Compliance Subcommittee) (SBV – Department of Credit Institution System Safety)	on procedures and documentation for the approval of the proposed list of personnel of commercial banks, non-bank credit institutions, and foreign bank branches.		
49.	Difficulties in licensing procedures (BWG – Legal & Compliance Subcommittee) (SBV – Department of Management and Supervision of Credit Institutions)	On August 28, 2025, BWG sent Official Letter No. 28082025BWGVBF to the Department of Credit Institutions Management and Supervision, outlining several difficulties encountered during the licensing process and related proposals. The details are as follows: 1. General Difficulties: 1.1. Difficulties in providing documents proving the fulfillment of conditions for the intended operations in Vietnam by credit institutions or foreign bank branches in the application for an amendment to the operational license. BWG proposes that the State Bank of Vietnam consider accepting commitment letters issued by wholly foreign-owned banks, foreign bank branches, or parent banks as valid supporting documents. 2. Specific Difficulties: 2.1. Issues related to the request for an amendment to the operational license	BWG has received the official response from the SBV under Official Letter No. 3007/QLGS1 dated 05 November 2025. The SBV's responses are as follows: - General opinion: The Banking Supervision and Inspection Agency (BSIA) will coordinate and provide comments when the relevant Departments/Units of the SBV request during the process of studying and advising the Governor on the amendment and development of circulars and related regulations to address these issues. - Specific opinions: + Regarding supporting documents demonstrating that the proposed business activities meet operational conditions in Vietnam: The SBV's BSIA is reviewing the request for supplementing business activities to the License of credit	DONE

TT	Issue/ Responsible Unit	Content	Processing progress Responses from the State Bank and ministries	Conclusion and Recommendations
		to participate in international payment systems prior to July 1, 2024 (such as SWIFT, Visa, Mastercard, JCB), including: <i>(i) The requirement to provide a “Contract or Agreement or Confirmation Letter from the organization operating the international payment system confirming that the commercial bank, foreign bank branch (or parent bank) has participated in the international payment system.”</i> Regarding this issue, we propose that the State Bank of Vietnam consider amending Clause (vii), Article 9.2 of Circular 34 to supplement "other types of documents " in addition to the required Contract/Agreement or Confirmation Letter. This would introduce flexibility and enable banks to submit alternative supporting materials (e.g., publicly available information recorded on official websites or systems). <i>(ii) Requirement for consular legalization of the following documents:</i> <i>(i) “Documents proving that the international payment system operator is legally established and operating</i>	institutions and foreign-bank branches based on the provisions of Circular No. 34/2024/TT-NHNN to evaluate substance of the permitted activities of the Parent Bank/Owner, based on supporting documents such as: the operating license and legal regulations of the jurisdiction where the foreign credit institution is headquartered; written confirmation from the home supervisory authority regarding the business activity proposed to be added to the License; etc. + Regarding supplementation to the License for participation in international payment systems: The SBV is currently studying and drafting amendments to Circular No. 34, including revisions concerning the composition of application dossiers and principles of dossier preparation, in the direction of simplifying the required documentation and procedures. + Regarding updating the letter of credit (L/C) activity into the License: Credit institutions and foreign bank branches shall comply with Official Letter No. 8210/NHNN-TD dated 19 September 2025:	

Group 1: Group of issues under the authority of the SBV
B. Group of Resolved Issues
B.2. New Issues Arising in 2025

TT	Issue/ Responsible Unit	Content	Processing progress Responses from the State Bank and ministries	Conclusion and Recommendations
		<i>abroad,” and (ii) “Contract, Agreement, or Confirmation Letter from the international payment system operator confirming the commercial bank, foreign bank branch (or parent bank) has participated in the international payment system”:</i> Regarding this issue, BWG respectfully proposes that the State Bank of Vietnam consider allowing the submission of copies only (without requiring consular legalization) for the above-mentioned documents, specifically: "The document proving the legal establishment and operation of the international payment system operator abroad"; and "the confirmation letter from the international payment system operator regarding the bank’s participation in the international payment system", in the context of updating the participation in international payment systems such as SWIFT, Visa, Mastercard, and JCB in the bank's operational license. <i>(iii) Requirement for data in the explanatory report as stipulated at point (v), Article 9.2.(dd):</i> We propose that the reporting period for	<i>“1. For Licenses of credit institutions and foreign-bank branches issued before 01 July 2024 which stipulates clearly that the credit institutions are licensed to conduct the L/C business, the credit institutions are allowed to conduct L/C business and other related business activities without the need to amend or supplement the License, in accordance with Clause 2, Article 56 of Circular No. 21.</i> <i>For Licenses of credit institutions issued before 01 July 2024 that do not clearly state as mentioned in Item 1 above, the credit institution must proactively submit a request to re-issue/modify the License to the SBV before 31 December 2025, in accordance with Clause 3, Article 56 of Circular No. 21.”</i>	

TT	Issue/ Responsible Unit	Content	Processing progress Responses from the State Bank and ministries	Conclusion and Recommendations
		transaction data via international payment systems be calculated from January 1, 2024, until the date of application submission. 2.2. Difficulties related to updating the letter of credit (L/C) activity in the operational license <i>(i) In cases where the bank's license already includes content related to letters of credit, pursuant to Clause 2, Article 56 of Circular No. 21/2024/TT-NHNN:</i> We respectfully request that the State Bank of Vietnam provide guidance for the licensing of letter of credit services and related business activities in a consistent manner, such that no amendment or reissuance of the license is required if the existing license already includes the term "letter of credit". This would facilitate smooth and efficient operations for banks and avoid disruptions caused by licensing technicalities. <i>(ii) In cases where the bank has already been licensed to provide domestic payment services; international payment services; inter-customer payment</i>		

Group 1: Group of issues under the authority of the SBV
 B. Group of Resolved Issues
 B.2. New Issues Arising in 2025

TT	Issue/ Responsible Unit	Content	Processing progress Responses from the State Bank and ministries	Conclusion and Recommendations
		<i>services; or payment services in the domestic or international markets pursuant to Article 56.3 of Circular No. 21/2024/TT-NHNN:</i> BWG respectfully requests that the State Bank of Vietnam confirm the understanding that banks licensed to provide payment services prior to July 1, 2024, and currently conducting letter of credit (L/C) operations, when updating the L/C activity in their operational license, shall only be required to follow the license reissuance procedure in accordance with Circular No. 34/2024/TT-NHNN, and shall not be required to apply for a new license for a new business activity from the beginning.		

II. GROUP OF ISSUES UNDER THE AUTHORITY OF OTHER MINISTRIES AND SECTORS THAT REQUIRE COORDINATION OF THE SBV (21 ISSUES)

A. GROUP OF UNRESOLVED ISSUES (05 ISSUES)

A.1. OUTSTANDING ISSUES FROM 2023 AND 2024 (05 ISSUES)

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
50.	The issue of controlling transactions related to unlicensed online games (BWG – AML Subcommittee) (SBV – AML Department)	1. BWG submitted Official Letter No. 210719BWGVBF to the Ministry of Information and Communications (MIC) and the SBV presenting its difficulties in implementation and requesting general guidance regarding unlicensed online games, as follows: 1.1. With respect to the requirement under Official Letter No. 585/NHNN-TT dated August 10, 2020, which instructed banks to refuse to process transactions related to unlicensed online games: the SBV subsequently issued Official Letter No. 998/TT4/NHNN-TT dated September 4, 2020, providing BWG with guidance on payment connection. 1.2. The inclusion of online games with short keywords and few characters such as <i>K8, M88, G88, GDW</i> (Official Letter 830/TTGSNH11); <i>R88, Long ho, B24</i> (Official Letter 551/TTGSNH5); and	2021- BWG received responses as follows: - From the MIC (Official Letter No. 1631/PTTH&TTĐT) in response to BWG's Official Letter No. 210719BWGVBF: In addition to licensed online games, there are many unlicensed games being distributed and charging users through domestic payment service providers, most of which are cross-border games supplied into Vietnam via Apple and Google app stores. MIC requested BWG to guide and require payment service providers to comply with Clause 1, Article 9 of Circular No. 24/2014/TT-BTTTT. Regarding the list of licensed/authorized online games, MIC updates this information on a monthly basis at: www.gameportal.gov.vn, www.abei.vn,	CONTINUED COORDINATION BWG proposed to continue coordinating with the MIC and Communications and update the SBV on this issue in the coming time.	

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
A. Group of Unresolved Issues
A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		sequences of Chinese characters, as well as individuals releasing games without identifiable information (Official Letter 585/TTGSNH5), in the monitoring list may result in an excessive number of inaccurate alerts. This makes it difficult to determine whether such alerts are in fact related to those online games. BWG therefore recommends that the SBV clarify and provide further guidance. 1.3. In controlling transactions related to customers in the hospitality and entertainment sector such as hotels, bars, clubs, and tourist areas (MCC codes 5813, 7011, etc.), BWG faces difficulties in identifying which establishments are duly licensed, and therefore, whether transactions with such establishments are legitimate. We respectfully request the SBV's guidance on the list of licensed gambling service providers in Vietnam. To ensure that control measures to block transactions with merchants having relevant MCC codes are implemented effectively, consistently, and comprehensively by all banks, we seek SBV's guidance on identifying the full list	www.mic.gov.vn. BWG is advised to proactively consult these sites for updated information on legally distributed games. Clause 2, Article 31 of Decree No. 72/2013/ND-CP stipulates that before considering payment connection for each online game, payment support enterprises may request online game service providers to submit the required documents as a basis for connection or may proactively refuse or suspend connection. If necessary, BWG may send MIC the list of games for which payment connection is intended in order to receive official information. - From the SBV (Official Letter No. 7069/NHNN-TTGSNH) in response to BWG's Official Letter No. 210719BWGVBF: Card issuers and card payment organizations base on their responsibilities under prevailing laws to monitor, detect, and handle suspicious card transactions and measures to handle thẻ cás. They may also coordinate and exchange information with one another		

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		of MCCs associated with prohibited transactions under applicable laws. 1.4. Relevant legal regulations: Decree No. 03/2017/ND-CP and Circular No. 102/2017/TT-BTC on casino business provide a three-year pilot program permitting Vietnamese citizens aged 21 and above with full civil act capacity to play at casino venues licensed by competent authorities. Currently, BWG has no means to identify which enterprises are included in the pilot program, or whether those enterprises have completed the pilot and received official licenses to allow Vietnamese players. We therefore respectfully request further guidance from the SBV to support more accurate and complete transaction reporting. 2. On October 14, 2021, BWG sent Official Letter No. 01-141021BWGVBF, further raising the following issues: 2.1. BWG requested the SBV to advise the Vietnam Banks' Association (VNBA) and card payment organizations to facilitate and accelerate the sharing of the above-mentioned information, as well as to issue	and with international card organizations to prevent illegal card transactions. When a card issuer detects suspicious signs related to the cardholder (customer) or to a merchant, it must investigate, gather information on its customer and the merchant (in coordination with the card payment organizations) and submit a suspicious transaction report (STR), including any available merchant information. The SBV acknowledged existing difficulties and gaps in the Anti-Money Laundering (AML) legal framework and stated it would consider them during the amendment process of the AML Law. 2. From the SBV (Official Letter No. 980/NHNN-CucV.1 dated November 14, 2021) in response to BWG's Official Letter No. 01-141021BWGVBF dated October 14, 2021: 2.1. The SBV supported BWG's proposal and recommended that VNBA implement necessary measures to enhance information sharing among banks on suspicious merchants and advise on		

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		further instructions to ensure industry-wide cooperation in preventing violations in card activities. 2.2. On reporting standards: As there are currently no agreed communication channels, reporting rules, or response timelines between card issuers and card payment organizations, BWG has been and will continue reporting suspicious transactions with best efforts, providing the maximum information available as required. BWG proposes that suspicious transaction reports be compiled on a group basis, clustering transactions by commonalities found during card transaction investigations. A separate reference table for each card payment organization, attached to the suspicious transaction reporting template, would help ensure reporting is concise, consistent, and coherent.	issuing sector-wide directives for card fraud prevention. 2.2. Reporting standards: Pursuant to Official Letter No. 5913, when card issuers detect suspicious signs, they must collect information on customers and merchants (through coordination with card payment organizations) and file STRs including available merchant data. According to the foregoing instruction, if suspicions arise regarding a merchant, card issuers should seek additional information from card payment organizations (if any). If no timely response is received, card issuers must still file an STR with the AML Department including detailed information on the merchant that banks actively gather based on internal database and later supplement with further information from card payment organizations. STRs must follow Form No. 01 under Circular No. 35/2013/TT-NHNN, including: (i) details of transaction parties, (ii) transaction-related persons/entities, (iii) reasons for		

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			suspicion and actions taken, and (iv) supporting documents. In cases where a group of related customers collectively carry out suspicious card transactions during banks' review, banks may attach annexes to the STR reports detailing the individuals carrying out the transactions, individuals and organizations related to the transactions. Banks may also attach to the STR reports separate tables with detailed information on suspicious card transactions (including information on merchant and card payment organizations). 3. BWG coordinated with SBV in an online meeting with MIC (Department of Broadcasting, Television, and Electronic Information) on December 21, 2021: BWG and the SBV presented relevant regulations, transaction monitoring and screening processes, and proposed as follows: 3.1. The requirement under Official Letter No. 585 applies only to cases where banks conduct "payment		

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			connection” for online games, and not to other banking products/services. 3.2. In cases where banks provide payment connection for online games, they shall comply with Article 9; Clause 5(d), Article 14; and Clause 5(d), Article 23 of Circular No. 24/2014/TT-BTTTT providing details on the management, provision and use of online game service. 3.3. Where banks open accounts for online game service providers, each bank is responsible for fulfilling KYC for organizational customers in line with the AML regulations, including checking gaming licenses (G1, G2, G3, G4) as stipulated in Circular No. 24/2014/TT-BTTTT. Payments for game service providers therefore fall under the responsibility of the bank holding the account. Other payment methods mentioned in Official Letter No. 585 (e.g., telecom scratch cards, game cards, e-wallets) fall outside the scope of banking services. 3.4 If transaction screening relies on specific lists provided in SBV's official letters, BWG requests regular updates		

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			with complete information on unlicensed/illegal games to ensure accurate and effective monitoring. BWG proposed that the SBV and MIC establish a mechanism for regular and systematic information sharing with official notifications to banks. At the meeting, BWG, the SBV, and the MIC agreed that MIC would study and coordinate with relevant authorities (e.g., the Ministry of Public Security, the SBV) to issue a blacklist of illegal online games for banks and SBV to coordinate transaction monitoring, including transactions where banks act as intermediaries (e.g., Visa/MasterCard payments to game providers, including cross-border games distributed via Apple & Google app stores). The MIC noted BWG and SBV's input for consideration in amending Decree No. 72/2013/ND-CP. Subsequent developments: - <i>SBV Payment Department (Official Letter No. 1407/TT2 dated December 1, 2022):</i> <i>The Payment Department has already</i>		

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			<i>addressed the matters within its functions and responsibilities, as reflected in the List of Technical Issues, and is currently only monitoring the coordination and handling progress from the Ministry of Information and Communications (the State authority in charge of online games).</i> - SBV Payment Department (Official Letter No. 7854/NHNN-TT dated October 10, 2023): <i>Implementing Official Letter No. 2302/PTTH&TTĐT dated 28/9/2023 of the Authority of Broadcasting, Television and Electronic Information under the MIC, whereby the Authority provided a list of unlicensed online games currently being offered cross-border into Vietnam via the App Store and Google Play Store.</i> 2024: <i>- In January 2024, SBV responded that the Banking Supervision Agency is not the lead authority on this matter, but would coordinate when formally requested by relevant ministries/agencies.</i> 2025 – BWG proposals to MIC and SBV:		

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			(i) Confirm the interpretation of the list of unlicensed / not-yet-licensed online games; clarify which reporting entities (for example, only organizations providing online payment gateway services/solutions) are required to screen their customers against this list; and specify the timing of such screening, whether it is before establishing a business relationship or at another point in time (for example, prior to entering into a relationship with a reporting entity). (ii) Propose that the MIC issue a standardized blacklist (using Vietnamese characters) that is specific, clear, and contains complete identifying information. In addition to the full legal name, this should include, for individuals: date of birth, permanent address, residential address, and current place of residence; and for organizations: registered head office address and legal representative details. This would support reporting entities in accurately matching and verifying information. (iii) Propose allowing reporting entities		

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			to register for monitoring changes to the list, with clear indication of the updates made (which information has been removed from the list, which remains unchanged, and which has been modified), as well as the date on which the information was updated. (iv) Exclude low-quality names/entries (e.g., one- to three-character strings) to avoid excessive false positives during screening.		
51.	Close-out Netting (Netting on Early Termination) (BWG - Financial Markets Subcommittee) (SBV - Monetary Policy Department)	BWG's recommendation on allowing closeout netting in derivatives transactions 2021 : BWG and the SBV engaged in close discussions and cooperation during the drafting process of the amended Circular No. 01/2015/TT-NHNN, by providing written comments on the draft and participating in two technical meetings to address issues and propose amendments. Circular No. 25/2021/TT-NHNN, amending Circular No. 01, officially allowed commercial banks and foreign banks branches in Vietnam to implement netting in interest rate derivative transactions. 2024 : BWG submitted written comments	- As the issue of netting in derivative transactions is also related to the Bankruptcy Law, BWG proposes continued coordination and engagement with the SBV, the Ministry of Justice, and the Supreme People's Court during the process of amending the Bankruptcy Law and relevant provisions. - According to Official Letter No. 154/CSTT3 dated January 25, 2024, the Monetary Policy Department had no further comments. - On May 9, 2025, BWG and ISDA held an official meeting with the Supreme People's Court to discuss in detail BWG's comments on the Draft Amended	CONTINUED COOPERATION BWG proposed to continue to coordinate and work with the SBV, the Ministry of Justice, and the Supreme People's Court in the process of amending the Bankruptcy Law and related regulations.	

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		to the Supreme People's Court on the draft amendments to the Bankruptcy Law, specifically on the issue of close-out netting. The Supreme People's Court is in the process of finalizing the dossier to submit to the Standing Committee of the National Assembly for appraisal and inclusion of the Bankruptcy Law in the legislative amendment program. 2025: Building upon the efforts in 2024, BWG has actively advocated for the legal recognition of the close-out netting mechanism in Vietnam's Bankruptcy Law, through participation in working sessions and consultation workshops on the Draft Bankruptcy Law organized by the Supreme People's Court and the Economic Committee of the National Assembly.	Bankruptcy Law, particularly on the issue of close-out netting. - At the request of the Supreme People's Court, BWG prepared an in-depth report on the netting mechanism, including but not limited to an analysis of its impact on the macroeconomy, the banking sector, and other stakeholders in the absence of statutory provisions on this matter in the Bankruptcy Law. - On July 17, 2025, the Head of Legal and Compliance of BWG delivered a keynote speech entitled "<i>Close-out Netting in Bankruptcy – International Experience and Strategy for Vietnam to Achieve Sustainable Financial Growth, Promote the Private Sector, and Build an International Financial Center.</i>" - Following its policy advocacy efforts, on July 30, 2025, BWG submitted to the SBV and the Economic and Financial Committee of the National Assembly its official letters No. 30072025BWGVBF, 30072025BWGVBF1, and 30072025BWGVBF2, setting out its proposals to amend the Bankruptcy Law to recognize the close-out netting		

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			mechanism. - Specifically, BWG raised the following issues: + Restrictions in the current Bankruptcy Law limiting the netting mechanism, including: (i) The bankruptcy court may decide to temporarily suspend or terminate the performance of contracts that may cause disadvantages; (ii) The administrator may refuse to perform set-off obligations; (iii) Prohibition of payments of unsecured debts (after a court decision to open restructuring or bankruptcy proceedings); (iv) The administrator may refuse to allow early termination of transactions (after a court decision to open restructuring or bankruptcy proceedings); (v) Payments or set-offs favoring unmatured debts (made within six months before the court decision to open bankruptcy proceedings) may be deemed void; (vi) Courts or arbitral tribunals may suspend proceedings relating to asset		

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			obligations, and civil enforcement agencies may suspend enforcement actions against secured assets; (vii) Secured assets may be used for business recovery under the creditors' meeting resolution. + Reasons for amending the Bankruptcy Law + International standards + Policy objectives + Proposed amendments: (i) Introduce a legal definition of a netting agreement. Specifically: → A master agreement with a netting clause, together with specific transaction agreements, shall constitute a single contract; and → Netting shall apply to secured transactions and transfers of title. (ii) Define financial transactions eligible for the closeout netting mechanism ("Eligible Financial Transactions"). (iii) Exempt netting agreements from restrictive provisions under laws in one of the following ways: → Option 1: Introduce a catch-all clause provision affirming that the performance		

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			of a closeout netting agreement shall not be affected by the Bankruptcy Law; or → Option 2: Amend the relevant provisions in the Draft Bankruptcy Law (as set out in Table 1 of the official letter) so that they do not apply to closeout netting agreements. - On August 7, 2025, BWG participated in an expert consultation seminar on the Draft Amended Bankruptcy Law organized by the Economic and Financial Committee of the National Assembly. - On August 18, 2025, BWG submitted Official Letter No. 18082025BWGVBF1 to the Legal Department of the SBV, providing comments on closeout netting provisions in the third draft of the Amended Bankruptcy Law. + Based on the recommendations of UNCITRAL, Unidroit, the International Swaps and Derivatives Association (ISDA), and international practice, BWG proposed the following amendments to the Bankruptcy Law: 1. Introduce the concept of a closeout netting agreement in line with international standards, with the		

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			following key elements: (a) Definition of a closeout netting agreement as above, drafted with reference to ISDA's Model Netting Act and the definition of netting in interest rate derivatives under Circular 25/2021/TT-NHNN; (b) A master agreement with a closeout netting clause, together with transaction-specific agreements, shall constitute a single contract ("Closeout Netting Agreement"). Without such a rule, each transaction would be treated as a separate debt obligation in bankruptcy, allowing some transactions to be suspended individually and undermining the meaning of closeout netting; (c) Closeout netting shall apply to secured transactions and transfers of title. 2. Define "Eligible Financial Transactions" eligible for the closeout netting mechanism, including: (a) Derivatives transactions as regulated by the Law on Credit Institutions and related regulations; (b) Foreign exchange transactions as regulated by the Law on Credit		

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			Institutions and related regulations; (c) Other transactions permitted by the SBV through circulars to apply closeout netting. 3. Ensure that restrictive provisions of the Bankruptcy Law do not apply to closeout netting, in one of two ways: 3.1. Option 1: Introduce a catch-all clause provision affirming that the performance of a closeout netting agreement shall not be affected by the Bankruptcy Law ; 3.2. Option 2: Amend the relevant provisions in the Draft Bankruptcy Law (as set out in Table 1 of the official letter)		

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			so that they do not apply to closeout netting agreements .		
52.	XVII. Regarding the requirement – the signature of the chief accountant is needed in the operation and use of	Regarding this issue, several meetings have been held between the BWG, the Payment Department of the SBV, and the Ministry of Finance. The issue stems from the Law on Electronic Transactions, Decree No. 35/2007/ND-CP dated March 6, 2007, on electronic transactions in banking activities, the Law on Accounting, and SBV's Decision No. 1789 in 2005. Previously, banks did not face significant difficulties implementing the Decision because transactions were conducted on	- BWG has discussed this matter with the Ministry of Finance and received feedback via Official Letter No. 3016/BTC-QLKT dated March 25, 2021, as follows: <i>“According to the provisions of the Accounting Law and Decree 174/2016/ND-CP, the main contents on accounting documents when recorded by enterprises must ensure the unit's control over the recognition of arising economic transactions.”</i>	CONTINUED COORDINATION	Response from the FAD to the ICD in 2025: In 2024, the FAD provided comments ⁸ to the Ministry of Finance regarding the issues raised by the BWG. Going forward, the State Bank of Vietnam will continue to coordinate with the

⁸ **Official Letter No. 1001/TCKT2 dated 26 August 2024** regarding the solicitation of comments on the dossier proposing the development of the draft Law amending certain laws under the Ministry of Finance, sent to the Legal Department for consolidation.

Official Letter No. 9024/NHNN-TCKT dated 01 November 2024 seeking comments on amendments and supplements to the Accounting Law concerning the management of accounting in the field of accounting under the State Bank of Vietnam.

Official Letter No. 1463/TCKT2 dated 27 November 2024 regarding comments on revisions, incorporation, and finalization of the draft Law amending multiple laws under the Ministry of Finance, sent to the Legal Department for consolidation.

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	bank accounts, as stipulated in Decision 1789/2005 /QD-NHNN on the accounting voucher regime (BWG – Legal & Compliance Subcommittee) (SBV - Finance and Accounting Department of in coordination with relevant units of the SBV) XVIII.	paper. However, with the rapid development of online banking systems, two types of signatures have emerged: the signature of the legal representative & chief accountant, and the signature of the authorized person. The requirements under this Decision have therefore become impractical for banks' payment activity. Due to the constraints of the Law on Accounting and Decision 1789, banks face compliance risks, as neither the banks nor their customers can fully verify both types of signatures when using the bank's payment systems. According to discussions between BWG and the Ministry of Finance, the Ministry also agreed that these regulations were originally designed with paper-based transactions in mind and are no longer suitable for current electronic transaction. - Recommendations: With experience in developing electronic banking systems at parent banks in developed countries, BWG proposes further engagement with the relevant departments of the SBV and hopes to support the SBV in the process of drafting and amending related laws, as	<i>When implemented, for paper accounting documents used for recording, the signatures of the relevant individuals are shown on the paper vouchers. For application systems, signing a document can be represented through the setup of business workflows. Accordingly, the execution/submission/approval of tasks as authorized within the organization's accounting application system represents the signature element of the accounting voucher. The enterprise must establish and take responsibility for this process, and once the accounting document is approved at each stage (execution/submission/approval), it reflects the signature element of the authorized personnel on the accounting documents.</i> <i>When participating in payment channels or submitting payment instructions on paper to the bank after preparing/initiating the accounting vouchers, representatives of the transacting units will either transmit the instruction (documents) into the transaction system or send the paper</i>		Ministry of Finance during the process of contributing comments to the development of the amended Accounting Law, in order to address obstacles related to electronic accounting documents in particular, as well as issues concerning the accounting regime of credit institutions in general.

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		well as building a legal framework for implementing electronic transactions in Vietnam, such as revising Decision 1789 to align with the current development of electronic banking - BWG raised this issue at the 2019 mid-term VBF forum. The SBV is coordinating with the Ministry of Finance on the amendment of the Accounting Law - According to Official Letter No. 1488/NHNN-TCKT from the SBV, the SBV requested that credit institutions report any difficulties or obstacles in implementing Decision 1789/2005/QĐ-NHNN on the accounting voucher regime, particularly regarding electronic vouchers and digital signatures. BWG has consolidated this information to report to the SBV on the matter. - On September 13, 2024, BWG sent Official Letter No. 13092024BWGVBF3 to the Accounting and Finance Department to submit proposals regarding the amendment of the Accounting Law, its guiding documents, and other SBV regulations concerning signatures on	<i>instruction (document) to the bank. The requirement for signatures of the representatives participating in/transmitting the payment instruction, or the signatures of the representatives on paper payment instructions submitted to the bank, is carried out in accordance with the regulations of the payment service provider or the entity managing/operating the payment system (e.g., the SBV, commercial banks, or the State Treasury).</i> <i>Thus, the Accounting Law's provisions on signatures on accounting documents do not affect the creation of payment instructions for fund transfers (whether on paper or electronically), nor do they affect participation in electronic payment systems, provided that the electronic payment regulations of the system-operating authority clearly address this issue in a manner compatible with the technology and applications of each information system.</i> <i>Currently, the legal documents regulating the opening and use of payment accounts at payment service</i>		

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		accounting.	providers, as well as electronic transactions in banking activities, are drafted under the guidance of the SBV. Therefore, regarding the challenges banks face with signature control requirements in electronic payment transactions, BWG–VBF is requested to provide feedback to the SBV for resolution.” - 2021: Finance and Accounting Department/ SBV and BWG organized a meeting on 13/5/2021. Amend the requirement that the responsibility for controlling signatures on payment instructions rests with the corporate customer when joining the payment channels/methods (Host-to-Host/SWIFT) that such customer has registered with the bank: At the meeting, the Finance and Accounting Department acknowledged the difficulties and necessary adjustments to align with current digitalization trends, as well as the challenges within the existing legal framework (Accounting Law). The SBV will further coordinate		

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			with the Ministry of Finance and the Ministry of Justice to amend the regulations to better reflect these trends. Requirement for the amount in words on accounting documents: The SBV has acknowledged the difficulties and practical realities on SWIFT systems and banks' applications. SBV will conduct a survey at the Trading Center and individual banks to assess whether this is a common issue across the sector, in order to continue discussions and propose solutions to the Ministry of Finance . Document retention: The SBV has noted inconsistencies in regulations regarding the retention period and packaging of accounting documents, as set out in Decision 376/2003/QD-NHNN on the preservation and storage of electronic documents used for accounting and payment by payment service providers, Decision 1789, Decree 174/2016/ND-CP, and Circular 43/2011/TT-NHNN (Article 248). The SBV will review the related legal documents and propose the repeal of		

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			outdated regulations, as well as amend provisions where appropriate. <u>2022:</u> Currently, based on the feedback reports from credit institutions, the SBV is consolidating the opinions of relevant units and will continue to coordinate with the BWG, the Ministry of Finance, and other ministries (Ministry of Justice, Ministry of Information and Communications) in the near future to gradually address the difficulties faced by credit institutions. <u>Department of Finance and Accounting (Official Letter No. 1314/TCKT1 dated November 29, 2022):</u> The SBV issued Official Letter No. 6561/NHNN-TCKT dated September 9, 2022, to the Ministry of Finance providing comments on the Draft Report summarizing the implementation of the Law on Accounting. In this letter, the Department of Accounting and Finance summarized certain issues raised by credit institutions related to the 2015 Law on Accounting, such as signatures on accounting documents, the requirement to use ink, and addresses on electronic		

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			documents. BWG is requested to continue coordinating with the Ministry of Finance regarding the issues related to the chief accountant's signature in managing the use of bank accounts, as well as other challenges under the Law on Accounting. In early May 2023, the SBV collaborated with the Ministry of Finance to organize a workshop on the Law on Accounting. At this workshop, credit institutions presented reports highlighting challenges related to the Law on Accounting, including issues concerning the chief accountant's signature on bank documents and difficulties with electronic accounting documents. Following the workshop, the SBV issued Official Letter No. 7364/NHNN-TCKT dated September 20, 2023, to the Ministry of Finance regarding the authority to issue the Accounting Regime applicable to credit institutions. In this letter, the SBV clarified that the authority to issue the Accounting Regime for credit institutions rests with the Ministry of Finance under Article 71 of the 2015		

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			Law on Accounting. On September 29, 2023, and January 16, 2024, the Ministry of Finance held meetings with the SBV (Department of Accounting and Finance, Legal Department, Banking Supervision Agency) regarding matters related to Official Letter 7364/NHNN-TCKT. In the coming period, the SBV will continue to coordinate with the Ministry of Finance (if requested) to address issues related to electronic accounting documents in particular, as well as other matters concerning the accounting regime of credit institutions in general. Plan in 2024: In the coming period, BWG will organize a workshop/meeting with the Ministry of Finance, the State Bank of Vietnam, and relevant units to discuss this issue .		
53.	XIX. Electronic	Signatures on Electronic Accounting	BWG proposes to continue coordinating	CONTINUED	Response of the FAD

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	accounting documents (BWG – Legal & Compliance Subcommittee) (SBV – Finance and Accounting Department together with relevant SBV's departments) Ministry of Information and Communications, Ministry of Finance XX.	Documents Referring to the current regulations in Article 19 of the 2015 Accounting Law and Article 8 of Decision 1789/2005/QĐ-NHNN on the regime of bank accounting documents, accounting documents must be signed either with a handwritten signature or an electronic signature. Thus, only three types—(i) specialized electronic signatures, (ii) public digital signatures, and (iii) specialized official digital signatures—meet this requirement. Meanwhile, the amended Law on Electronic Transactions has added a fourth type in Clause 4, Article 24 of this Law: <i>“using other forms of electronic confirmation to express the signatory's approval of the data message that is not an electronic signature performed under other relevant legal provisions.”</i>	and working with the SBV (Information Technology Department) and the Ministry of Information and Communications in the course of implementing the Law on Electronic Transactions and developing or amending legal documents related to electronic signatures, so as to ensure that the regulations are aligned with banking operations. In early May 2023, the SBV coordinated with the Ministry of Finance to organize a workshop on the Law on Accounting. At this workshop, credit institutions presented about difficulties related to the Law on Accounting, including the requirement for the chief accountant's signature on banking documents and issues concerning electronic accounting documents. Following the workshop, on	COORDINATION BWG proposes to continue coordinating and working with the SBV (Information Technology Department) and the Ministry of Information and Communications during the implementation of the Law on Electronic Transactions and the development or amendment of legal documents related to electronic	to the ICD in 2025: In 2024, the FAD provided comments⁹ to the Ministry of Finance regarding the issues raised by the BWG. Going forward, the State Bank of Vietnam will continue to coordinate with the Ministry of Finance during the process of contributing comments to the development of the amended Accounting Law, in order to address obstacles related to electronic accounting documents in particular,

⁹ Official Letter No. 1001/TCKT2 dated 26 August 2024 regarding the solicitation of comments on the dossier proposing the development of the draft Law amending certain laws under the Ministry of Finance, sent to the Legal Department for consolidation.

Official Letter No. 9024/NHNN-TCKT dated 01 November 2024 regarding comments on amendments and supplements to the Accounting Law concerning the management of accounting in the field of accounting under the State Bank of Vietnam.

Official Letter No. 1463/TCKT2 dated 27 November 2024 regarding comments on revisions, incorporation, and finalization of the draft Law amending multiple laws under the Ministry of Finance, sent to the Legal Department for consolidation.

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A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		<u>Recommendation:</u> The 2015 Accounting Law and Decision 1789 should be amended to align with the provisions of the amended Law on Electronic Transactions by stipulating that electronic accounting documents comply with the regulations of the new Law on Electronic Transactions. Seal on electronic accounting documents According to Clause 3, Article 23: <i>“In cases where the law requires a document to be verified by an agency or organization, this requirement shall be considered satisfied for a data message if the data message is signed with a secure specialized electronic signature or the digital signature of that agency or organization.”</i> This provision governs the issue of organizational seals. A data message is considered to be sealed by an organization when it is signed using one of the three types of signatures specified in Clause 1, Article 22 of the amended Law on Electronic Transactions. Reference is made to the related provisions in:: Article 24.2 of the 2015 Accounting Law and Article 8.2(c) of Decision 1789	September 20, 2023, the SBV issued Official Letter No. 7364/NHNN-TCKT to the Ministry of Finance regarding the authority to promulgate the accounting regime applicable to credit institutions. In this letter, the SBV clarified that the authority to promulgate the accounting regime for credit institutions rests with the Ministry of Finance in accordance with Article 71 of the 2015 Law on Accounting. On September 29, 2023, and January 16, 2024, the Ministry of Finance held meetings with the SBV (Department of Finance and Accounting, Legal Department, and Banking Supervision Agency) on matters related to Official Letter 7364/NHNN-TCKT. In the time ahead, the SBV will continue to coordinate with the Ministry of Finance (upon the Ministry's request) to address difficulties related to electronic accounting documents in particular and to the accounting regime for credit institutions in general.	signatures, in order to ensure that the regulations are consistent with banking operations.	as well as issues concerning the accounting regime of credit institutions in general.

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		stipulate that organizations are still required to affix their seal on accounting books/accounting documents . According to Article 43.2 of the 2020 Enterprise Law regarding seals, a business has the right to decide on the type, quantity, form, and content of its seal. Therefore, under this provision, a business may choose not to have a seal. However, pursuant to Article 43.3 of the 2020 Enterprise Law, a business must use its seal in transactions as required by law. Therefore, a business is only required to affix a seal on accounting documents or records if the Accounting Law and its guiding regulations specifically require it for those types of documents . <u>Recommendation:</u> It is proposed to review the regulations classifying which types of accounting documents/records truly require a seal, in order to align them with the new Enterprise Law and the amended Law on Electronic Transactions. Definition “accounting documents” The definition of “accounting document” as stipulated in Article 3.3 is formulated in a general, principle-based manner, which			

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		leads to different interpretations and applications across enterprises, among legal practitioners in terms of statutory interpretation, and even within professional auditing firms. <u>Recommendation:</u> The Ministry of Finance should assign the SBV to provide specific guidance on which types of bank documents qualify as accounting documents and which do not, in order to ensure a consistent understanding and implementation .			
54.	XXI. Draft outline of the Law amending the Law on Accounting	On October 16, 2024, BWG sent Official Letter No. 16102024BWGVBF1 to the Department of Accounting and Auditing Regulation and Supervision, Ministry of Finance, to provide comments on the outline of the draft amended Law on Accounting No. 88/2015/QH13 dated November 20, 2015 ("Law on	BWG will continue to provide comments on the Draft Law on Accounting to be widely consulted (if any).	CONTINUED COORDINATION	Response of the FAD to the ICD in 2025: In 2024, the FAD issued a number of documents ¹⁰ providing comments to the Ministry of Finance regarding the issues

¹⁰ Official Letter No. 1001/TCKT2 dated 26 August 2024 regarding the solicitation of comments on the dossier proposing the development of the draft Law amending certain laws under the Ministry of Finance, sent to the Legal Department for consolidation.

Official Letter No. 9024/NHNN-TCKT dated 01 November 2024 regarding comments on amendments and supplements to the Accounting Law concerning the management of accounting in the field of accounting under the State Bank of Vietnam.

Official Letter No. 1463/TCKT2 dated 27 November 2024 regarding comments on revisions, incorporation, and finalization of the draft Law amending multiple laws under the Ministry of Finance, sent to the Legal Department for consolidation.

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
	(BWG – Legal & Compliance Subcommittee and Finance & Accounting Subcommittee) (SBV - Department of Finance and Accounting) Ministry of Finance)	Accounting”). BWG made the following proposals: 1) With respect to Article 11 of the Law on Accounting regarding the script and numerals used in accounting , BWG proposes amending and supplementing Clause 1, Article 11 to also allow the use of Vietnamese without diacritical marks, as follows: <i>"1. The script used in accounting shall be Vietnamese, including Vietnamese without diacritical marks. Accounting documents in foreign languages must be translated into Vietnamese upon request by a competent State authority. For accounting documents of the same content and form, translation is required only once."</i> 2) Regarding Article 16.1.e on the content of accounting documents , BWG proposes to amend as follows: “Article 16. Contents of accounting documents <i>1. Accounting documents must have the following main contents:</i> <i>e) Quantity, unit price, and amount of the economic or financial transaction recorded in figures; the total amount of the</i>			raised by the BWG. Going forward, the State Bank of Vietnam will continue to coordinate with the Ministry of Finance in the process of contributing comments to the development of the amended Accounting Law, in order to address obstacles related to electronic accounting documents in particular, as well as issues concerning the overall accounting regime applicable to credit institutions.

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		<i>accounting documents used for collection or payment recorded both in figures and in words. For electronic accounting documents or documents generated through electronic payment systems, it is not mandatory to state the total amount in words."</i> 3) Regarding Article 19.3 on Signing accounting documents - We recommend <i>abolishing the regulation requiring the chief accountant's signature in accounting documents for disbursements.</i> - Alternatively, we propose clarifying and distinguishing that the payment accounting vouchers referred to in Article 19.3 do not include accounting documents generated by banks in funding transactions, including domestic interbank and international financial activities, lending to customers, and customer-initiated fund transfers, etc., <i>where the chief accountant's signature should not be required on the corresponding transfer documents.</i> In addition to the above proposal, we also recommend that the Government consider stipulating that, in general, accounting			

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		documents should only require the signature of the preparer and one signature of an authorized representative for confirmation. 4) Regarding Article 19.4, the mandatory requirement for electronic signatures on electronic vouchers is no longer consistent with the Law on Electronic Transactions 2023. Therefore, we propose that the Ministry of Finance, as the drafting body of the amended Law on Accounting, consider the following: Accepting that electronic accounting documents may be signed either by electronic signature or by other forms of electronic confirmation that demonstrate the signatory's approval, as provided under the Law on Electronic Transactions 2023. Accordingly, accounting entities should be allowed to choose between using an electronic signature or other forms of electronic confirmation to evidence approval of accounting vouchers. Not requiring an electronic signature or any other form of confirmation for accounting documents related to automated			

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		internal bookkeeping entries where no human intervention is involved in the accounting process. 5) With respect to Article 23 on the Selection of the Accounting Chart of Accounts, we propose considering the following provision: <i>“Article 23. Selection of the accounting chart of accounts</i> <i>1. An accounting entity must, based on the chart of accounts prescribed by the Ministry of Finance, the sectoral regulatory authority, or the SBV, select the chart of accounts to be applied at the entity.</i> <i>An accounting entity may further detail the selected accounts to meet its management requirements. Enterprises with foreign elements may use the chart of accounts of their parent company abroad or design their own chart of accounts, provided that the preparation and presentation of financial statements comply with the provisions of the Vietnamese Accounting Law.”</i> 6) With respect to Article 26 on opening, recording, closing, and			

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		archiving accounting books, we propose amending and supplementing Clause 7 of Article 26 as follows We propose to amend and supplement Clause 7, Article 26 as follows: <i>“7. Accounting entities may keep accounting books by electronic means. In cases where accounting books are kept electronically, the provisions on accounting books under Articles 24, 25 and Clauses 1, 2, 3, 4, and 6 of this Article must be complied with, except for the requirements relating to the signatures of the book preparer, the chief accountant, and the legal representative of the accounting entity; page numbering; and affixed seals across pages. After closing the accounting books electronically, the books must be printed on paper and bound into separate volumes for each fiscal year for archiving. Where accounting books are not printed on paper but stored electronically, the storage must ensure the safety and confidentiality of data and allow retrieval within the statutory retention period.”</i> 7) Regarding point d, clause 2, Article			

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		29. Financial statements of accounting units, we propose to amend as follows: <i>"d) Financial statements must bear the signatures of the preparer, the chief accountant or the most senior person in charge of accounting, and the legal representative of the accounting entity. The signatories of the financial statements shall be responsible for the presentation of the reports."</i> 8) Regarding Article 53 on Chief Accountant, we propose to amend as follows: <i>Article 53. Head of the Accounting Department</i> <i>1. The head of the accounting department is the head of the accounting department of the unit who is responsible for organizing the implementation of the accounting work in the accounting unit.</i> <i>2. The head of the accounting department of a state agency, organization, public service unit using the state budget and an enterprise in which the State holds more than 50% of the charter capital, in addition to the duties specified in Clause 1 of this Article, shall also have the duty to</i>			

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		<i>assist the legal representative of the accounting unit in supervising the finances at the accounting unit.</i> <i>3. The head of the accounting department is under the leadership of the legal representative of the accounting unit; in case there is a superior accounting unit, he/she is also under the direction and inspection of the chief accountant of the superior accounting unit regarding expertise and profession.</i> <i>4. In case the accounting unit appoints an accountant to replace the Head of the accounting department, the accountant must meet the standards and conditions specified in Clause 1, Article 54 of this Law and must perform the responsibilities and rights prescribed for the chief accountant as prescribed in Article 55 of this Law."</i> 9) Regarding Article 55 on the responsibilities and rights of the chief accountant, we propose to amend as follows: <i>"Article 55. Responsibilities and rights of the Head of the accounting department</i> <i>1. The Head of the Accounting</i>			

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		<i>Department shall have the following responsibilities:</i> <i>a) Comply with the provisions of law on accounting and finance within the accounting entity;</i> <i>b) Organize and manage the accounting apparatus in accordance with this Law;</i> <i>c) Prepare financial statements in compliance with the accounting regime and accounting standards.</i> <i>2. The Head of the Accounting Department shall have the right to exercise independence in accounting expertise."</i> <i>In addition, the Law on Accounting should provide further provisions on the Chief Financial Officer (CFO), including: qualifications and conditions of the CFO; functions, duties, and powers of the CFO; and the relationship between the CFO and the Chief Accountant.</i> 10) Regarding Article 71 on State management of accounting, we propose to amend as follows: <i>"Article 71. State management of accounting</i> <i>1. The Government shall exercise unified state management of accounting.</i>			

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV

A. Group of Unresolved Issues

A.2. New issues arising in 2025

No.	Issues/ SBV's department in charge/Related documents	Detailed content	Processing progress & Response of SBV/ Ministries (2023 - 2024)	Conclusion & Recommendations of BWG (2024)	Feedback from SBV Departments/Divisions (.....)
		 4. In addition to the provisions set out in Clause 3 of this Article, the SBV shall be responsible for issuing accounting regimes, providing guidance on bookkeeping and accounting, and promulgating regulations on accounting regimes, accounting documents, accounting books, or other legal normative documents on accounting applicable to credit institutions and foreign branches of credit institutions under its management, ensuring compliance with the accounting standards stipulated in this Law.”			

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
A. Group of Unresolved Issues
A.2. New issues arising in 2025

A.2. NEW ISSUES ARISING IN 2025 (0 ISSUES)

None

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
B. Group of Resolved Issues
B.1. Outstanding issues from 2024

B. GROUP OF RESOLVED ISSUES (16 ISSUES)
B.1. OUTSTANDING ISSUES FROM 2024 (06 OLD ISSUES)

No.	Issue/ SBV's Department in charge/ Related Documents	Content	Processing progress / Feedback from the SBV and ministries	Conclusion and Recommendations of BWG
55.	Retroactive collection of VAT on Letter of Credit (L/C) fees (BWG – Legal & Compliance Subcommittee and Finance & Accounting Subcommittee) (SBV - Department of Credit for Economic Sectors)	Proposal not to apply retroactive VAT collection on L/C fees of a credit nature. From 2020 to April 2025, BWG has repeatedly sent official letters to the SBV, the General Department of Taxation, the Ministry of Finance, the Government Office, and the Prime Minister on this matter. BWG has also held numerous working sessions with the relevant authorities.	- The Ministry of Finance has maintained its position and issued Official Letter No. 1917/BTC-TCT to the Prime Minister, proposing the collection of late payment interest and administrative penalties. - On March 13, 2025, the Government Office concurred with the above proposal of the Ministry of Finance through Official Letter No. 2049/VPCP-KTTH dated March 13, 2025. - On April 4, 2025, the Tax Department issued Official Letter No. 476/CT-DNL to guide local tax authorities in collecting late payment interest from banks and foreign bank branches. - The issuance of Official Letter No. 2049 by the Government Office, followed by Official Letter No. 476 by the Tax Department, appears to have marked the conclusion of this matter. As a result, members generally feel there is no longer any expectation of changes to the current situation.	DONE
56.	Electronic signature (BWG - Legal & Compliance Subcommittee) SBV - Information Technology	During 2023–2024, BWG repeatedly sent official letters to the relevant authorities proposing that customers and partners of the organization that issues secure specialized	On February 21, 2025, the Government issued Decree 23/2025/ND-CP dated February 21, 2025 regulating electronic signatures and trusted services. In this Decree, the MIC still	DONE

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
B. Group of Resolved Issues
B.1. Outstanding issues from 2024

No.	Issue/ SBV's Department in charge/ Related Documents	Content	Processing progress / Feedback from the SBV and ministries	Conclusion and Recommendations of BWG
	Department coordinates with Payment Department and Legal Department) (Ministry of Information and Communications)	electronic signatures should also be permitted to use the secure specialized electronic signatures created by that organization.	maintains its position.	
57.	Data Law (BWG – Legal & Compliance Subcommittee and Information Technology Subcommittee) (SBV Information Technology Department)	- On August 29, 2024, BWG sent comments on Draft 2 of the Data Law to relevant agencies of the Ministry of Public Security. - On August 31, 2024, BWG and VBF sent comments on Draft 2 of the Data Law to the Ministry of Justice.	On 25 and 26/10/2024, BWG was invited by the Ministry of Public Security to attend a meeting to comment on the draft Data Law. On November 30, 2024, Data Law No. 60/2024/QH15 was passed by the National Assembly.	DONE
58.	Draft Decree 123/2020/ND-CP regulating invoices and documents (BWG - Legal & Compliance Subcommittee and Finance & Accounting Department) General Department of Taxation, Ministry of Finance	2023: BWG has sent comments on the draft of Decree 123 to the General Department of Taxation/Ministry of Finance. 2024: In July 2024, BWG continued to send comments on the third draft of the Decree replacing Decree 123.	The Government has issued Decree 70/2025/ND-CP amending Decree 123.	DONE
59.	Procedures for licensing foreign workers (BWG – Legal & Compliance Subcommittee and HR Subcommittee) MOLISA	<u>Concern:</u> Since the effective date of Decree 70/2023/ND-CP, these enterprises are required to complete the licensing procedures for foreign workers with the Ministry of Labor, Invalids and Social Affairs (MOLISA), instead of the local Department of Labor, Invalids and Social Affairs (DOLISA) as previously practiced. Accordingly, enterprises are required to	This issue was resolved following the issuance of Decree 219/2025/ND-CP by the Government, which regulates foreign labor working in Vietnam.	DONE

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
B. Group of Resolved Issues
B.1. Outstanding issues from 2024

No.	Issue/ SBV's Department in charge/ Related Documents	Content	Processing progress / Feedback from the SBV and ministries	Conclusion and Recommendations of BWG
		resubmit their existing work permits issued by the DOLISA and submit a new application for licensing to MOLISA. <u>Proposal</u> (i) Maintain the validity of existing work permits issued by the local Department of Labor, Invalids and Social Affairs (DOLISA) until their expiration. (ii) In cases where enterprises initiate the process to apply for a new work permit or a certificate of exemption from work permit requirements at the Ministry of Labor, Invalids and Social Affairs (MOLISA), while the existing work permit issued by DOLISA is still valid, we propose that MOLISA continue to recognize the validity of the previously issued work permit. (iii) Simplify the procedures and shorten the processing.		
60.	Draft Law on Personal Data Protection (BWG – Legal & Compliance Subcommittee and Information Technology Subcommittee) (SBV – Information Technology Department)	On November 22, 2024, BWG sent Official Letter No. 22112024BWGVBF to the Department of Cybersecurity and High-Tech Crime Prevention under the Ministry of Public Security to provide comments on the Draft Law on Personal Data Protection (“Draft Law”).	The National Assembly promulgated the Law on Personal Data Protection No. 91/2025/QH15 on June 26, 2025.	DONE

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
B. Group of Resolved Issues
B.2. New issues arising in 2025

B.2. NEW ISSUES ARISING IN 2025 (10 ISSUES)

TT	Issues/ Implementing units of the State Bank/ Related documents	Detailed content	Processing progress & Response of SBV/ Ministries, branches (2023 - 2024)	BWG Conclusion & Recommendations (2024)
61.	Draft Decree detailing and implementing measures for the Law on Data (BWG – Legal & Compliance Subcommittee and Information Technology Subcommittee) (National Data Center (C12) - Ministry of Public Security Department of Legislation and Administrative and Judicial Reform (V03) - Ministry of Public Security Department of Administrative Police for Social Order (C06) - Ministry of Public Security)	BWG has submitted comments on the Draft Data Law.	- On June 30, 2025, the Government issued Decree 165/2025/ND-CP detailing a number of articles and measures to implement the Data Law.	DONE
62.	Draft Decree regulating scientific, technological, innovation activities and data products and services (BWG – Legal & Compliance Subcommittee and Information Technology Subcommittee) (National Data Center (C12) - Ministry of Public Security)	BWG has sent comments on the Draft Decree regulating scientific, technological, innovation activities and data products and services. .	- On June 29, 2025, the Government issued Regulations on the National Data Development Fund.	DONE

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
B. Group of Resolved Issues
B.2. New issues arising in 2025

TT	Issues/ Implementing units of the State Bank/ Related documents	Detailed content	Processing progress & Response of SBV/ Ministries, branches (2023 - 2024)	BWG Conclusion & Recommendations (2024)
	Department of Legislation and Administrative and Judicial Reform (V03) - Ministry of Public Security Department of Administrative Police for Social Order (C06) - Ministry of Public Security)			
63.	Draft Decision on promulgating the list of important data and core data (BWG – Legal & Compliance Subcommittee and Information Technology Subcommittee) (National Data Center (C12) - Ministry of Public Security Department of Legislation and Administrative and Judicial Reform (V03) - Ministry of Public Security Department of Administrative Police for Social Order (C06) - Ministry of Public Security)	BWG has sent comments on the Draft Decision of the Prime Minister promulgating the list of important data and core data.	On July 1, 2025, the Prime Minister issued Decision 20/2025/QĐ-TTg promulgating the list of important data and core data.	DONE
64.	Draft 19 of the Resolution on the establishment of an international financial center in Vietnam	BWG sends comments on Draft 19 Resolution on establishing an international financial center in Vietnam.	The National Assembly issued Resolution 222/2025/QH15 on the International Financial Center in Vietnam.	DONE

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
B. Group of Resolved Issues
B.2. New issues arising in 2025

TT	Issues/ Implementing units of the State Bank/ Related documents	Detailed content	Processing progress & Response of SBV/ Ministries, branches (2023 - 2024)	BWG Conclusion & Recommendations (2024)
	(BWG – Legal & Compliance Subcommittee) (Ministry of Finance)			
65.	Draft 23 of the Resolution on the establishment of an international financial center in Vietnam (BWG – Legal & Compliance Subcommittee) (Economic and Financial Committee - National Assembly)	On April 17, 2025, BWG sent Official Letter No. 17042025BWGVBF to the National Assembly's Economic and Financial Committee to provide recommendations on Draft Resolution No. 23 regarding the International Financial Center in Vietnam.	The National Assembly issued Resolution 222/2025/QH15 on the International Financial Center in Vietnam.	DONE
66.	Letter of thanks and comments on draft legal documents detailing and guiding the implementation of the Data Law (BWG – Legal & Compliance Subcommittee and Information Technology Subcommittee) (Data Center – Ministry of Public Security)	After the meeting with the Ministry of Public Security on April 10, 2025, on April 18, 2025, BWG and the VBF Digital Economy Working Group sent Official Letter No. 18042025BWGVBF to the National Data Center under the Ministry of Public Security (C12) to express appreciation and provide comments on the draft legal	- On June 29, 2025, the Government issued the Regulation on the National Data Development Fund. - On June 30, 2025, the Government issued the Decree on activities in science, technology, innovation, and data-related products and services. - On June 30, 2025, the Government issued Decree No. 165/2025/ND-CP detailing certain articles and implementation measures of the Data Law. - On July 1, 2025, the Prime Minister issued	DONE

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
B. Group of Resolved Issues
B.2. New issues arising in 2025

TT	Issues/ Implementing units of the State Bank/ Related documents	Detailed content	Processing progress & Response of SBV/ Ministries, branches (2023 - 2024)	BWG Conclusion & Recommendations (2024)
		documents detailing and guiding the implementation of the Data Law.	Decision No. 20/2025/QD-TTg promulgating the list of critical data and core dat	
67.	Comments on the effective date of Decree 70/2025/ND-CP dated March 20, 2025 of the Government regulating invoices and documents (BWG – Legal & Compliance Subcommittee and Finance and Accounting Subcommittee) (Ministry of Finance, General Department of Taxation)	On April 21, 2025, BWG sent an official letter to the Ministry of Finance and the General Department of Taxation to provide comments regarding the effective implementation of Decree No. 70/2025/ND-CP dated March 20, 2025 of the Government on invoices and documents (“Decree 70”).	BWG contacted the Indirect Tax Division, Policy Department of the Tax Department by phone, which is the unit in charge of handling BWG’s official letter. The responsible officer stated that the Tax Department has acknowledged this difficulty and reported it to the Ministry of Finance. However, since the timeline has already been stipulated in the Decree and the Decree applies to all entities, the possibility of extending the implementation deadline of Decree 70 is almost impossible, and the Tax Department will not provide a written response.	DONE
68.	Difficulties in implementing electronic identification of enterprises in cases where the legal representative is a foreigner from labour perspective (BWG – Legal & Compliance Subcommittee and Human Resources Subcommittee) (Ministry of Home Affairs)	On June 26, 2025, BWG sent Official Letter No. 26062025BWGVBF to the Ministry of Home Affairs, the Hanoi Department of Home Affairs, and the Ho Chi Minh City Department of Home Affairs to highlight difficulties and make proposals regarding the	The Ministry of Home Affairs responded to BWG through Official Letter No. 935/CVL-CSVL dated July 8, 2025 (“Official Letter 835”). According to Official Letter 835, there is no regulation requiring agencies, organizations, or enterprises to submit dossiers via online public services.	DONE

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
B. Group of Resolved Issues
B.2. New issues arising in 2025

TT	Issues/ Implementing units of the State Bank/ Related documents	Detailed content	Processing progress & Response of SBV/ Ministries, branches (2023 - 2024)	BWG Conclusion & Recommendations (2024)
		implementation of corporate e-identification in cases where the legal representative is a foreigner, and to put forward related recommendations.		
69.	Difficulties in implementing electronic identification of enterprises in cases where the legal representative is a foreigner, from social insurance perspective (BWG – Legal & Compliance Subcommittee and Human Resources Subcommittee) (Vietnam Social Insurance)	On June 26, 2025, BWG sent Official Letter No. 26062025BWGVBF1 to Vietnam Social Insurance to highlight difficulties and make proposals regarding the implementation of corporate e-identification in cases where the legal representative is a foreigner, and to put forward related recommendations.	A representative of Vietnam Social Insurance responded at the inter-ministerial and VBF Dialogue on July 8, 2025, regarding difficulties related to the use of organizational e-identification and changes in administrative boundaries.	DONE
70.	Difficulties in implementing electronic identification of enterprises in cases where the legal representative is a foreigner from tax perspective (BWG – Legal & Compliance Subcommittee and Finance	On June 26, 2025, BWG sent Official Letter No. 26062025BWGVBF2 to the Tax Department and the Ministry of Finance to highlight difficulties and make proposals regarding the	The Tax Department addressed this matter in Official Letter No. 2065/CV-NVT dated June 26, 2025, at the dialogue on July 8, 2025 regarding difficulties related to the use of organizational e-identification and changes in administrative boundaries, and in Official Letter No. 2242 dated July 10, 2025 in response to	DONE

Group 2: Group of issues under the authority of other ministries and sectors requiring coordination of the SBV
B. Group of Resolved Issues
B.2. New issues arising in 2025

TT	Issues/ Implementing units of the State Bank/ Related documents	Detailed content	Processing progress & Response of SBV/ Ministries, branches (2023 - 2024)	BWG Conclusion & Recommendations (2024)
	Subcommittee) (Ministry of Finance and General Department of Taxation)	implementation of corporate e-identification in cases where the legal representative is a foreigner, and to put forward related recommendations	BWG.	

POSITION PAPER OF CAPITAL MARKETS WORKING GROUP
LIST OF ISSUES IN THE SECURITIES MARKET

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
1.	Funds: <i>Tax deduction for long-term investments in domestic funds</i>	Proposal for personal income tax deduction on long-term investments in legally established securities investment funds in Vietnam in order to: 1. Encourage saving and disciplined long-term investment, instead of idle cash holding. 2. Reduce cost of capital: With new equity issues at par value (irrespective of share price) and corporate bonds at premium of c700 pbs over Government bonds, both equity and debt markets are very expensive places to raise capital. Greater institutionalization will, over time, help reduce the cost of capital and support the private sector. 3. Provide capital for the capital market, reduce reliance on bank credit, and support sustainable business development. 4. Ease long-term pressure on the social security system through an investment-accumulation mechanism instead of relying on the state budget. 5. Align with the Party and State's directions to promote legitimate individual wealth accumulation. Currently, dividend income from fund investment is	We suggest personal income tax deduction on incomes from selling fund certificates held for a long term (e.g., three years or more)	Ministry of Finance, Prime Minister

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		subject to 5% personal income tax. This regulation makes investment in funds less attractive to individual investors compared with other channels (e.g., bank interest is exempt from personal income tax).		
2.	<i>Funds: Legal entity status of securities investment funds</i>	The prevailing Vietnamese law does not recognize the legal entity status of securities investment funds. This creates difficulties for fund operations (e.g., lending, investing abroad, exercising voting rights, etc.). Recognizing securities investment funds as legal entities will bring about the following benefits: 1. Enabling funds to borrow capital and leverage market opportunities (similar to what other foreign funds having been doing in Vietnam). 2. Creating legitimate and transparent asset ownership, boosting investors', especially institutional ones, confidence. 3. Enhancing fund managers' accountability and competition, and allowing for easier manager switching. 4. Bringing Vietnam's asset management closer to international standards and best practices.	The Securities Law (and guidance documents) needs to be amended to recognize the legal entity status of securities investment funds.	Ministry of Finance, SSC, Prime Minister

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
3.	Funds: <i>The securities investment company model is problematic in terms of governance and tax issues</i>	The Securities Law introduces the model of securities investment companies with legal personality. In practice, however, no securities investment company has been established due to problematic issues in this model, including: • The governance requirements applicable to securities investment companies is similar to those applicable to joint-stock companies under the Enterprises Law. This leads to overlaps between the management system of the fund manager and of the securities investment companies, and increases costs and human resources in governance; • Securities investment companies are subject to corporate income tax at the prevailing rate of 20%, whereas securities investment funds are exempt from corporate income tax.	The Securities Law and its guidance documents, and the Corporate Income Tax Law need to be amended to: • exempt corporate income tax for securities investment companies; • simplify governance requirements for securities investment companies.	Ministry of Finance, SSC
4.	Funds: <i>Diversification of fund types</i>	Currently, the types of funds that can be established in Vietnam are still limited to closed-end funds, open-end funds, and ETFs. However, many fund types such as index funds, money market funds, real estate investment funds (REITs), and new ETFs have not yet appeared in Vietnam but are increasingly popular worldwide. Recognition and adoption of these fund types by Vietnamese law will also help increase the attractiveness and competitiveness of Vietnam's	The legal framework regulating investment funds in general and Circular 98 in particular, need to be reviewed, amended, and supplemented to allow the establishment and operation of new fund types such as: (a) Index funds (b) Money market funds (MMF) (c) Real estate investment funds (REITs)	Fund managers and Securities Investment Funds Authority, SSC

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		securities market and capital market – and align with the objectives set out in Resolution 66-NQ/TW on innovating legal thinking, proactively learning from international experiences, seizing opportunities, unlocking resources, making institutions and law competitive advantages, a solid foundation, and a strong driver for development, creating room for promoting “double-digit” economic growth; and contributing to the goal of ensuring a market-oriented socialist economy while promoting and diversifying sources of capital for the private economy, as stated in Resolution 68-NQ/TW.	(d) New types of ETFs such as gold ETFs, commodity ETFs, leverage/ inverse ETFs, and cryptocurrency ETFs (given the context that the Government is considering launching a cryptocurrency exchange).	
5.	Funds: <i>Information disclosure requirements for ETF market makers</i>		The current legal framework needs to be reviewed to simplify information disclosure procedures for market makers of ETFs.	Fund managers and Securities Investment Funds Authority, SSC
6.	Funds: <i>To allow securities index providers (other than VNX) for ETFs</i>	Currently, only the Vietnam Exchange (VNX) is authorized to construct and announce securities indices. Existing indices are mostly broad-based indices or specialized in certain industry groups and do not align closely with ETF needs for maximizing profitability. Allowing other securities index providers (e.g., international financial institutions like FTSE, MSCI, etc.) to construct indices will help diversify ETF products in the market, providing more options for investors and aligning with the Party’s directive: legal frameworks should selectively learn from	We propose allowing other securities index providers (e.g., international financial institutions such as FTSE, MSCI, etc.) to construct and announce indices for ETFs.	Fund managers and Securities Investment Funds Authority, SSC; Vietnam Stock Exchange

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		international best practices, seize opportunities, unlock resources, and make institutions and law competitive advantages, as stated in Resolution 66-NQ/TW.		
7.	Funds: <i>Investment constraints of supplementary pension funds</i>	Decree 88/2016/ND-CP (Decree 88) stipulates that supplementary pension funds can only invest in the following types of assets: (a) deposits at commercial banks; (b) government bonds, bonds guaranteed by the government, and local government bonds (collectively referred to as <i>government bonds</i>); and (c) securities investment fund certificates. Voluntary pension funds must also ensure that the proportion of investment in government bonds (including investments in government bonds via fund certificates) is at least 50% of the total fund assets. These regulations create several major obstacles for the operation of supplementary pension funds: • Difficult to implement when the fund size is small, in particular, (i) difficulty in finding small lots; and (ii) having to buy at higher prices for small lots. • Significantly reduces the fund's operational efficiency (because government bond yields are historically low). This creates long-term risks for the pension fund as its performance cannot meet contributors' expectations or generate sufficient pension resources. • Pension funds have no differentiation in	We suggest amending Decree 88 to improve investment restrictions for pension funds as follows: • Reduce the minimum government bond investment requirement to 30% of total assets. This will improve the operational efficiency of supplementary pension funds. Currently, the grace period is only 15 days before pension funds must fully comply with the 50% government bond limit. This negatively impacts fund efficiency and inadvertently affects account holders, as fund managers must comply with regulations and purchase government bonds at non-optimal prices. Pension funds should have a 3-year grace period before fully complying with the 30% government bond limit. During this time, the 30% of total	Ministry of Finance

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		investment strategy and are limited in diversification among funds.	assets may be invested in bank deposits or similar products.	
8.	<i>Funds: Tax policy and design for supplementary pension schemes</i>	Decree 88 and Circular 86/2018/TT-BTC (Circular 86) show that the design of the tax system follows the EET model (Exempted–Exempted–Taxed: tax exemption on contributions and investment gains, with taxation at the payout stage). However, the interpretation of the law by the General Department of Taxation indicates that all contributions to supplementary pension funds are made from after-tax income, meaning that the tax system is effectively following a TEE model (Taxed–Exempted–Exempted: taxed at contribution, exempt for investment and payout stages). This inconsistency in tax policy design does not support the overall goal of supplementary pension funds, which is to provide additional income for retirees.	We suggest standardizing the tax model to EET, which is considered the most effective approach to encourage retirement savings through supplementary pension funds. This model is feasible and suitable for Vietnam. Note: Tax exemptions at the contribution stage should be subject to a cap.	Ministry of Finance
9.	<i>Funds: Tax sanctions for early withdrawals from supplementary pension funds</i>	Current tax regulations do not impose any tax sanctions for early withdrawals from supplementary pension funds. In addition, there is no rule requiring contributors to maintain account balances until reaching the statutory retirement age. Without proper tax sanctions, contributors can withdraw at any time, which can negatively affect the supplementary pension fund system and prevent it from achieving its purpose of creating a retirement	We suggest introducing tax sanction (for example, 20% on the total payout) for early withdrawals to encourage contributors to maintain their account balances until retirement. Tax sanction should be applied consistently across all tax models.	Ministry of Finance

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		fund.		
10.	Funds: <i>Payout phase rules for supplementary pension funds to ensure the goal of supplementary pension schemes</i>	Decree 88 and Circular 86 currently regulate only two payout options: • A lump-sum payment (without any tax sanction); and • Periodic payments (with 120 payments or more to qualify for tax exemption).	The design of the payout stage should be aligned with tax policies to guide contributors of supplementary pension funds toward receiving regular payments to create a retirement income. It is recommended to apply a tax sanction of 20% of the total payout for the lump-sum payment option.	Ministry of Finance
11.	Funds: <i>Investment income tax for supplementary pension funds</i>	The prevailing interpretation of tax laws is that investment incomes of supplementary pension funds are tax exempted (similar to other types of investment funds). However, there is no specific legal document clearly stipulating this tax exemption.	There should be a clear regulation on tax treatment for supplementary pension funds.	Ministry of Finance
12.	Funds: <i>Current personal income tax exemption cap on contribution does not incentivize participation in the supplementary pension schemes</i>	Decree 88 and Circular 86 currently stipulate: • Contributions to supplementary pension funds up to VND 1 million/month are deductible for personal income tax (PIT) for individuals. • Contributions to supplementary pension funds up to VND 3 million/month by employers are deductible for corporate income tax (CIT). These regulations pose the following issues: (a) not encouraging best practices in contributing to supplementary pension funds — that is,	We suggest amending the contribution basis to ensure fair treatment between employers and employees. Based on practices in other countries in the region, the proposed tax-exempt contribution cap should be: • For employers: up to 10% of total annual payroll; and • For employees: up to 10% of the employee's total annual	Ministry of Finance

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		compatibility between employer's and employee's contributions. (b) creating unfair treatment between employers and employees regarding contributions to supplementary pension funds.	salary.	
13.	<i>Funds: Tax and fees for transferring balances between supplementary pension funds</i>	The current system/ products provided by fund managers do not allow contributors to transfer account balances from one fund manager to another (<i>i.e.</i>, there is no portability) directly through asset transfer. To transfer account balances, contributors must sell their current account balances (<i>i.e.</i>, the fund units they hold) to receive cash and then use that cash to purchase units in a new fund managed by another fund manager with whom the employer has a contract. The cash received from this transaction is subject to personal income tax (PIT), even though the account balance is still dedicated to the supplementary pension fund.	Tax exemption should be applied for transfers of individual pension account balances from one pension scheme to another. This measure is essential to encourage contributors to remain in the supplementary pension scheme. Without a tax-exempt transfer option, or if transfer costs are too high, serious leakage in contributions to the supplementary pension scheme could occur.	Ministry of Finance
14.	<i>Funds: To allow insurance brokers to distribute supplementary pension funds</i>	The current legal framework permits insurance agents to distribute supplementary pension fund products but does not allow insurance brokers to participate in distributing these funds. Insurance brokers have similar functions to insurance agents in distributing insurance products and are fully licensed by the competent authorities.	We suggest amending Decree 88 and Circular 86 to allow insurance brokerage companies to distribute supplementary pension fund products.	Ministry of Finance

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
15.	<i>Fund managers: Fund managers / securities investment funds should be allowed to charge incentive fees</i>	The prevailing law does not provide a mechanism for fund managers or securities investment funds to charge incentive fees/ performance fees from investors. This is unreasonable because: - Fund managers / investment funds that manage portfolios effectively and achieve high returns deserve to receive a performance-based fee. - Based on the principle of freedom of contract in civil law, fund managers / investment funds and investors should be allowed to agree on the fee amount. Securities Law should not excessively interfere with these lawful civil agreements.	The law should allow fund managers / securities investment funds to charge incentive fees.	Fund Management Companies and Securities Investment Funds Authority, SSC
16.	<i>Fund managers: Pre- and post-trade reporting of management company employees</i>	According to Article 11.4 of Circular 99, members management and employees of fund managers must report before and after all securities transactions, including transactions of fund certificates (Fund Certificates). However, reporting for Fund Certificates transactions by employees is unnecessary for the following reasons: No conflict of interest. The purpose of the regulation in Circular 99 is to monitor and prevent conflicts of interest. However, when employees purchase fund certificates issued by their own company, there is no conflict between the employee's interest and the investors' interest:	Exempt Fund Certificates transactions from the pre- and post-trade reporting requirement. Specifically, Article 11.4 of Circular 99 should be amended as follows: <i>“4. All securities transactions (<u>except fund certificate transactions</u>) by members of the Board of Directors and employees of the fund manager must be reported to the internal control department before and immediately after the transaction ...”</i>	Fund Management Companies and Securities Investment Funds Authority, SSC

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		○ Funds invest in a basket/ portfolio rather than a single security. ○ When employees invest in fund certificates, whether managed by the company they are working for or other fund managers, they are also investors of that fund, so their interests align with the investors of that fund. ○ When an employee invests in fund certificates managed by another fund management company, the employee is also an investor of that fund, and their interests are aligned with those of the fund's investors. The employee's interests in such funds are not related to the interests of the investors in the funds managed by the company or to the company's own interests. • Reporting all transactions wastes resources and time. ○ For insider/related-party transactions, Article 33 of Circular 96 specifies a transaction value threshold (e.g., VND 50,000,000 per day or VND 200,000,000 per month) for mandatory reporting. Circular 99 does not set a threshold, requiring employees to report all transactions, even very small ones or those conducted for company purposes (e.g., testing company applications for fund services). This causes significant waste of time and paperwork for both the company and employees.	• If reporting of Fund Certificates transactions must be maintained for other reasons, the law should establish a transaction value threshold similar to the insider disclosure requirements.	

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17.	Foreign investors: <i>Restrictions on foreign ownership limits</i>	Foreign investors are forced to sell shares when a public company buys its treasury shares Under current securities law, a public company must reduce its charter capital and total outstanding shares when buying back treasury shares. This forces foreign investors to sell a portion of the shares they hold, corresponding to the number of shares the company repurchases, so that the foreign ownership ratio does not exceed the company's maximum foreign ownership limit. This regulation seriously infringes on the rights of foreign investors by depriving them of their legitimate ownership of the shares.	The Securities Law should remove the provision requiring public companies to reduce charter capital and adjust foreign ownership limits when repurchasing shares.	SSC – Government
18.	Public Company: <i>The obligation to register should be replaced with a notification confirming that the company meets the conditions to qualify as a public company (in cases where no public offering of shares is conducted).</i>	Changing the registration requirement to a notification that a company meets the conditions to become a public company (when not conducting a public offering) would fundamentally remove the “bottleneck” caused by current regulations, specifically: (a) The registration procedure for public companies creates a legal gap between (a) the time a company meets the conditions to become a public company, and (b) the time the State Securities Commission (SSC) approves the public company status and it must comply with obligations applicable to public	We suggest amending Securities Law and Decree 155 to allow a company to become a public company immediately when it meets the conditions, with the obligation to notify the SSC (instead of registering) within 90 days from the date of meeting the conditions.	SSC – Government

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		companies. During this period, it is unclear whether the company is public or not, which affects the rights of shareholders and the efficiency of state management; (b) In practice, many companies meet the conditions to become public but deliberately delay registration, which negatively impacts the legitimate rights of shareholders. Simplifying administrative procedures (switching from registration to notification) aligns with priority tasks to ensure effective law enforcement, strengthen discipline in law implementation, as outlined in Resolution 66-NQ/TW. On the other hand, post-control management is feasible and consistent with solutions to develop the private economy under Resolution 68-NQ/TW, which emphasizes shifting from a bureaucratic administration to a service and development-oriented model, with citizens and businesses at the center, modernizing governance and data-driven management. The SSC has the authority to revoke public company status for companies that do not meet the conditions.		
19.	<i>Public companies: To allow public companies to hold treasury stock when repurchasing own shares</i>	The abolition of the requirement for public companies to register a reduction in charter capital within 10 days of completing payment for share repurchases would help remove the “bottleneck” caused by unreasonable legal provisions,	We suggest repealing Article 36.5 of Securities Law in its entirety. In addition, the relevant provisions under Article 134 of the Enterprise Law should also be repealed.	Management Board of Fund managers and Securities Investment Funds

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		specifically: (a) The mandatory reduction of charter capital after repurchasing shares prevents companies from maintaining treasury stock, while treasury shares are an important tool used for employee stock ownership plans (ESOP) or for improving certain financial indicators such as ROE (Return on Equity) and EPS (Earnings Per Share). (b) This regulation does not conform with international practices, thereby reducing the attractiveness and competitiveness of Vietnam's capital and financial markets in the region. According to our research, the laws of most countries — especially emerging and frontier markets with economic, financial, and market conditions similar to Vietnam (notably Thailand, Indonesia, and China) — do not require companies to reduce charter capital when repurchasing shares from shareholders, and they allow companies to hold treasury stock; and (c) In practice, before 1 January 2021 (the effective date of the Securities Law of 2019), share repurchases without the requirement to reduce charter capital were common. Although some enterprises engaged in share buybacks with the intent to manipulate stock prices, it is undeniable that share repurchases and the retention of treasury stock remain among the		Authority, SSC

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		important tools of joint-stock companies. The current requirement to reduce charter capital, as stipulated in the Enterprise Law of 2020 and the Securities Law of 2019, still reflects rigid management thinking and does not align with market realities. The abolition of the charter capital reduction requirement and the allowance for public companies to hold treasury stock when repurchasing their own shares will help Vietnam's stock market converge with international practices, improve the attractiveness and standardization of Vietnam's capital market, and align with the objective of turning institutions and laws into competitive advantages — moving away from the mindset of “if it cannot be managed, it must be banned” as set out in Resolution 66-NQ/TW.		
20.	Securities transactions: <i>Clear mechanism for transactions outside trading band</i>	The law recognizes the principle of freedom of contract; therefore, many investment transactions in the securities market today (particularly between the issuer, being a listed company, and foreign investors) include provisions for put options for investors under certain circumstances — for example, if the expected rate of return is not achieved, or after a specified period of time has lapsed. Currently, most of these transactions cannot be	Supplement a mechanism allowing parties to transfer shares outside the trading band in cases where the agreed purchase price falls outside the band on the date of ownership transfer.	Vietnam Stock Exchange

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		executed because the buyback price committed by the issuer falls outside the trading band (especially after major market fluctuations). In practice, obtaining approval from the State Securities Commission (SSC) is extremely difficult, resulting in the failure to protect the contractual rights of investors, despite such agreements being legal and compliant with the law. Providing a clear mechanism that allows parties to transfer shares outside the trading band will enhance the attractiveness and standardization of Vietnam's capital market, strengthen investor confidence — particularly from foreign institutions — and align with the guiding principle that “citizens and enterprises are allowed to do whatever the law does not prohibit.” It also supports the objective of making institutions and laws a competitive advantage, decisively abandoning the “if it cannot be managed, prohibit it” mindset set forth in Resolution 66-NQ/TW.		
21.	Disclosure of information: <i>Publicly and continuously update the number of voting shares of public companies to ensure accurate and timely disclosure by major</i>	According to Clause 18, Article 4 of the Law on Securities 2019 and Article 31 of Circular No. 96/2020/TT-BTC on information disclosure in the securities market, <i>a major shareholder is defined as a shareholder owning 5% or more of the total voting shares of an issuer.</i> Under Point m, Clause 2, Article 37 of Circular No.	We respectfully propose that the State Securities Commission (SSC) and the Stock Exchanges develop a mechanism for timely and synchronized disclosure of the number of voting shares of public companies, in line with changes in the number of outstanding shares	SSC, Vietnam Stock Exchanges

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
	<i>shareholders and groups of related persons.</i>	96/2020/TT-BTC, the Stock Exchanges (SGDCK) are required to disclose <i>the number of voting shares</i> of listed and registered-for-trading securities at the end of each trading day. Furthermore, the number of voting shares must be accurately calculated based on the number of outstanding shares, taking into account any changes in voting shares as stipulated in Point k, Clause 1, Article 11 of Circular No. 96/2020/TT-BTC regarding the extraordinary information disclosure obligations of public companies (e.g., additional share issuance, share buybacks, bond conversions, sale of treasury shares, etc.). However, at present, the information disclosed by the Hanoi Stock Exchange (HNX) and the Ho Chi Minh City Stock Exchange (HOSE) only includes the number of listed shares and the number of outstanding shares of public companies. As a result, market participants and investors - including major shareholders and related groups - lack an accessible database to accurately determine the number of voting shares at the time of securities transactions. This creates difficulties in fulfilling reporting and disclosure obligations concerning changes in ownership ratios of investors, major shareholders, and related parties in accordance with the law.	as prescribed by law. This would help ensure that information disclosed by major shareholders and groups of related persons is accurate and timely.	
22.	Inconsistent regulations	Foreign investors (FIs) are complying with the legal	It is proposed that the Ministry of	MOF, SSC

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
	between the State Bank of Vietnam (SBV) and the Ministry of Finance (MOF) regarding deposit requirements for participation in auctions during the process of equitization and state capital divestment.	provisions on share and capital contribution purchases during the process of equitization and state capital divestment in accordance with current regulations issued by the Government, the Ministry of Finance (MOF), and the State Securities Commission (SSC). Recently, the State Bank of Vietnam (SBV) issued Circular No. 03/2019/TT-NHNN, effective from May 13, 2019, allowing foreign investors to make deposits in <u>foreign currency</u> when participating in these auctions. However, Decree No. 126/2017/NĐ-CP and the model regulations issued by the SSC require investors (including foreign investors) to pay deposits as well as the full amount for the purchase of shares or capital contributions <u>in Vietnamese dong</u>, transferred to the auction agent's account within the prescribed time limit.	Finance (MOF) and the State Securities Commission (SSC) provide specific guidance on: 1. The cases in which foreign investors are permitted to make deposits in foreign currency in accordance with Circular No. 03/2019/TT-NHNN issued by the State Bank of Vietnam (SBV), and detailed instructions on the procedures for making such deposits in foreign currency. 2. In cases where a foreign investor makes a deposit in foreign currency and subsequently wins the auction, under foreign exchange management regulations, the investor is required to make full payment for the share purchase from their indirect investment capital account. Accordingly, the deposited amount in foreign currency must be transferred back to the investor's indirect investment capital account before being converted into	

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
			Vietnamese dong for payment of the total share purchase amount. It is therefore proposed that the Ministry of Finance (MOF) and the State Securities Commission (SSC) provide detailed guidance on the payment procedures for foreign investors in such cases.	
23.	Foreign investors are currently not permitted to enter into foreign exchange forward contracts (FX forwards) for risk management purposes.		The State Securities Commission (SSC) should coordinate with the State Bank of Vietnam (SBV) to develop a mechanism that allows foreign investors to enter into foreign exchange forward contracts (FX forwards) for risk management purposes when converting foreign currency into Vietnamese dong for investments in equities and other securities, excluding government bonds. At present, regulations only permit foreign investors investing in government bonds in VND to engage in foreign exchange forward transactions.	SSC, SBV
24.	Lack of liquidity and depth in the foreign exchange market.	Foreign investors have limited trading channels and face difficulties in conducting foreign exchange transactions in Vietnamese dong. Although		SBV

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		transactions with third parties have been permitted in principle, they are not yet common in practice.		
25.	Settlement banks for securities transactions are commercial banks; alternatively, there is no independent clearing organization.	Foreign investors are concerned that Vietnam's market lacks an independent clearing organization in line with international practices. In addition, the banks performing the settlement function for securities transactions are commercial banks, whereas under international standards, this role is typically carried out by central banks or independent clearing institutions.	To mitigate payment risks in the securities market, it is proposed that an independent clearing organization be established, or that the settlement of securities transactions be centralized through the State Bank of Vietnam.	SBV
26.	Credit and liquidity risks arise from the fact that the settlement bank is a commercial bank rather than a central bank.	Foreign investors are concerned about credit and liquidity risks arising from the potential misuse of funds by commercial banks and other related risks in the settlement process involving commercial banks. This proposal is fully consistent with the CPMI-IOSCO - Principles for Financial Market Infrastructures, which recommend the use of central bank money for such settlements.	In the long term, it is recommended that the settlement function for all securities be transferred to the State Bank of Vietnam.	SBV
27.	There are currently no regulations or procedures in place to handle and protect the rights and assets of market participants and investors in the event that the designated settlement bank, depository bank, or	For securities market participants such as settlement banks, depository banks, and custodian banks, dissolution or bankruptcy could significantly affect investor interests in the market. In principle, cases where commercial banks become insolvent or bankrupt are handled separately under the existing regulations on the bankruptcy of credit institutions. However, these regulations do not address the segregation and handling of funds pending settlement for matched securities transactions, and	The current Securities Law includes provisions under Article 75 on the principles for handling cases where securities companies or fund management companies are dissolved or go bankrupt. However, there are no corresponding regulations addressing the bankruptcy of settlement banks, depository	SSC, SBV

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
	custodian bank becomes insolvent or bankrupt.	therefore fail to ensure the continuity of securities market settlements and the protection of market participants' and investors' assets. The Securities Law and its current implementation regulations also do not cover these issues.	banks, or custodian banks. We propose that the State Securities Commission (SSC) and the Ministry of Finance (MOF) coordinate with the State Bank of Vietnam (SBV) to issue a unified regulation on this matter.	
28.	The necessity of recognizing the global custodian bank model in relevant regulations (Circular No. 25/2025/TT-NHNN amending Circular No. 17/2024/TT-NHNN, and Circular No. 03/2025/TT-NHNN).	At present, a common investment model in international markets involves institutional investors established under foreign laws (hereinafter referred to as foreign investors – FIs) opening and operating cash and securities accounts in each market through a Global Custodian or International Broker Dealer (collectively referred to as Global Custodian Banks – GCBs). These GCBs utilize the securities custody services of local custodian banks in Vietnam (Local Custodian Banks – LCBs). Currently, Circular No. 25/2025/TT-NHNN represents a significant advancement compared to Circular No. 17/2024/TT-NHNN, as it allows foreign investors to authorize global custodian banks (GCBs) to open and use payment accounts for indirect investment in Vietnam's securities market. However, from the perspective of contractual arrangements among parties and the practical structure of the investment model via GCBs—and in accordance with prevailing international regulations	We respectfully propose that the State Bank of Vietnam (SBV) coordinate with the State Securities Commission (SSC) and the Ministry of Finance (MOF) to amend the relevant legal regulations, thereby allowing the standard model of investment through global custodian banks (GCBs) to be implemented in accordance with international practices. Under this model, the GCB is the client of the local custodian bank (LCB), while the foreign investor is the client of the GCB and is identified as the account holder and beneficial owner of the assets traded in the Vietnamese market.	SBV, SSC

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		and practices—a GCB is considered the client of the local custodian bank (LCB), while the foreign investor is the client of the GCB and is identified as the account holder and beneficial owner of the assets traded in the Vietnamese market. Therefore, Vietnam's current regulations still differ from international practice and are not yet fully aligned with the global custodian bank investment model.		
29.	Use of SWIFT in foreign exchange transactions between credit institutions and foreign investors	In market practice, SWIFT is the main and most common communication method used for all accounts opened for foreign investors. SWIFT messages are the communication standard adopted by most major financial institutions worldwide - including large, professional foreign investors and their global custodians. This is the most secure, reliable, and widely used communication method in both global financial markets and the Vietnamese market today. Currently, Circular No. 25/2025/TT-NHNN recognizes the use of SWIFT for the opening and operation of payment accounts of foreign investors in the Vietnamese market. However, the use of SWIFT for foreign investors in particular, and for enterprises in general, has not yet been provided for under Circular No. 02/2021/TT-NHNN guiding foreign exchange transactions conducted by credit institutions.	To ensure consistency across legal regulations governing foreign investors' activities in Vietnam's securities market, we respectfully propose that the State Bank of Vietnam (SBV) amend Circular No. 02/2021/TT-NHNN to allow the use of SWIFT in foreign exchange transactions between credit institutions and foreign investors. On this basis, we further propose that the SBV consider permitting the use of SWIFT <u>not only for foreign investors but also for enterprises in general</u>. This would enable credit institutions to apply a consistent transaction method and monitoring mechanism for their	SBV

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
			clients, thereby reducing operational costs and risks while encouraging foreign investors to strengthen their investment in Vietnam's securities market.	
RECOMMENDATIONS RELATED TO THE LICENSING OF CUSTODIAN BANKS AND SUPERVISORY BANKS IN THE SECURITIES MARKET				
30.	Custodian banks and supervisory banks should be permitted to provide net asset value (NAV) calculation services, fund administration services, and transfer agency services.	Custodian banks and supervisory banks are currently facing regulatory obstacles under banking licensing regulations regarding the provision of fund administration and transfer agency services by these institutions. The provision of such services by custodian banks and supervisory banks under authorization from fund management companies is clearly stipulated in Circular No. 99/2020/TT-BTC guiding the Securities Law. However, in practice, different interpretations have arisen between the banking and securities sectors regarding whether commercial banks and foreign bank branches acting as custodian or supervisory banks are permitted to provide fund administration and transfer agency services. This is due to the absence of a clear legal basis at the legislative level for the State Bank of Vietnam (SBV) to issue licensing guidance for these services to commercial	We respectfully propose that the Ministry of Finance (MOF) and the State Securities Commission (SSC) consider amending and supplementing the licensing provisions under the Securities Law to allow supervisory banks to provide net asset value (NAV) calculation, fund administration, and transfer agency services without requiring amendments to their existing licenses, in accordance with the provisions of Circular No. 99/2020/TT-BTC and current market practice. We specifically propose adding Clause 6a after Clause 6 of Article 86 of the Securities Law, as follows: “Article 86. Activities of	MOF, SSC

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		banks and foreign bank branches. Specifically, under the Law on Credit Institutions 2024 and Circular No. 34/2024/TT-NHNN dated June 30, 2024, of the State Bank of Vietnam regulating the reissuance and supplementation of licenses, as well as the organization and operation of commercial banks, foreign bank branches, and representative offices in Vietnam of foreign credit institutions and other foreign organizations engaged in banking activities, only the activities of “securities custody” and “supervisory banking operations” as prescribed under securities laws are currently eligible for licensing for commercial banks. In addition, in practice, besides fund management companies that may authorize custodian and supervisory banks to provide fund administration and transfer agency services, other institutional professional investors (such as insurance companies, unit-linked funds, and pension funds) that are currently using or will use securities custody services at custodian or supervisory banks (with or without appointing a fund management company to manage their assets) also have similar needs to delegate these services for internal management purposes. This demand reflects a common and recognized practice in other global markets. Therefore, allowing custodian and supervisory banks to provide fund administration and transfer agency	securities companies, fund management companies, and branches or representative offices of foreign securities companies and foreign fund management companies in Vietnam <i>Clause 6a. In the course of conducting business activities, a fund management company may authorize custodian banks, supervisory banks, and the Vietnam Securities Depository and Clearing Corporation (VSDC) to provide fund administration and transfer agency services for securities investment funds, securities investment companies, <u>and other institutional investors in accordance with relevant legal regulations</u>”.</i> Section 4. SUPERVISORY BANK Article 116. Supervisory Bank <i>1.A supervisory bank is a commercial bank holding a Certificate of Securities Custody Registration issued by the State Securities Commission (SSC), which provides custody services</i>	

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		services to such institutional professional investors should be incorporated and formalized at the legislative level to align with market development needs and the policy directions set out in the <i>“Scheme on Restructuring Investors and Developing the Securities Investment Fund Industry”</i> issued under Decision No. 3168/QĐ-BTC dated September 12, 2025, by the Ministry of Finance.	<i>and supervises the management of public funds and securities investment companies, as well as fund administration <u>and supervisory banking services authorized by other institutional investors in accordance with relevant legal regulations.</u></i> <i>2. The supervisory bank shall monitor the activities of the securities investment fund management company within the scope related to the public funds and securities investment companies for which it provides supervisory services. The supervisory bank shall have the following obligations:”</i> On this basis, the licensing regulations under the State Bank of Vietnam (SBV) framework should be accordingly adjusted to ensure that custodian and supervisory banks have a sufficient legal basis for obtaining operational licenses when providing these services to domestic institutional investors.	
31.	Foreign bank branches	Clause 1, Article 116 of the Securities Law defines a	We respectfully propose that the	MOF, SSC

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
	should be permitted to perform supervisory banking operations.	<i>“supervisory bank as a commercial bank holding a Certificate of Securities Custody Registration issued by the State Securities Commission (SSC)”.</i> However, this provision does not include foreign bank branches (FBBs), leading to the interpretation that FBBs are not permitted to provide supervisory banking (custodian supervision) services under the Securities Law. Meanwhile, Clause 1, Article 131 of the Law on Credit Institutions 2024 stipulates that <i>“foreign bank branches are entitled to conduct the activities specified in Sections 1 and 2 of this Chapter...,”</i> which include supervisory banking services. Accordingly, FBBs are allowed to perform supervisory banking operations, consistent with the rights granted to commercial banks under Clause 2, Article 114 of the Law on Credit Institutions 2024. Therefore, there is an inconsistency between the Law on Credit Institutions 2024 and the Securities Law regarding the authorization for commercial banks and foreign bank branches to provide supervisory banking services. As a result, Clause 1, Article 116 of the Securities Law creates an imbalance in the scope of permitted supervisory banking services between commercial banks and foreign bank branches. Despite meeting all licensing, capital adequacy, and operational	Ministry of Finance (MOF) and the State Securities Commission (SSC) amend the Securities Law to allow foreign bank branches (FBBs) to provide supervisory banking services on the same basis as commercial banks. Accordingly, we propose revising Clause 1, Article 116 of the Securities Law as follows: <i>“A supervisory bank is a commercial bank or a foreign bank branch holding a Certificate of Securities Custody Registration issued by the State Securities Commission.”</i>	

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
		infrastructure requirements similar to those of commercial banks, foreign bank branches are currently unable to provide supervisory banking services to their clients.		
32.	Provision of supervisory banking services for unit-linked funds established by insurance enterprises.	In practice, in addition to providing supervisory banking services for funds established under the securities law, supervisory banks are also providing such services for unit-linked funds under unit-linked insurance products established by insurance enterprises, based on the supervisory banking activities permitted under the Securities Law. The use of supervisory banks by insurance enterprises to provide custody of assets, asset management supervision, and other supervisory activities for unit-linked funds is clearly stipulated in Decree No. 46/2023/ND-CP guiding the implementation of certain provisions of the Law on Insurance Business. However, in practice, differing interpretations have arisen among the banking, securities, and insurance sectors regarding whether commercial banks acting as custodian banks are permitted to provide supervisory banking services for unit-linked funds established by insurance enterprises. This ambiguity stems from the lack of clear legal foundations at the level of laws and decrees, as mentioned in the preceding section.	We respectfully propose that the Ministry of Finance and the State Securities Commission consider amending and providing further guidance on the licensing provisions under the Law on Securities to allow custodian banks to provide these services for (i) unit-linked funds established by insurance enterprises in accordance with the Law on Insurance Business, and (ii) voluntary supplementary pension funds in accordance with the Law on Voluntary Supplementary Pension Funds. Such services include net asset value determination, fund administration, and transfer agent services, which should be permitted without requiring any modification of the existing licenses, in line with the provisions of Circular No.	MOF, SSC

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
			99/2020/TT-BTC and current market practice. We propose to amend Article 116 of the Law on Securities as follows: “Section 4. CUSTODIAN BANK Article 116. Custodian bank 1. A custodian bank is a commercial bank that has been granted a Certificate of Registration for Securities Depository Activities by the State Securities Commission, and provides depository services and supervision of the management of public funds, securities investment companies, and other institutional investors in accordance with relevant laws. 2. The custodian bank shall supervise the activities of other institutional investors in accordance with relevant laws.” On this basis, licensing regulations under the laws governing the State	

NO	ISSUES	CONTENT	RECOMMENDATION	RESPONSIBLE AUTHORITY
			Bank of Vietnam will be adjusted accordingly to ensure that custodian and supervisory banks have sufficient legal grounds for licensing when providing these services to domestic institutional investors.	

SPEECH OF TAX & CUSTOMS WORKING GROUP

Dear Prime Minister Pham Minh Chinh,
Dear Minister of Finance Nguyen Van Thang,
Dear distinguished delegates,

Promoting quality growth through reform, innovation, and cooperation is one of the important strategic orientations of the Party and the State to lead Vietnam into the "era of rising" in the coming period. In 2024-2025, the Politburo has issued many important Resolutions to implement the above strategy, covering areas such as the development of science and technology, the renewal in law making and enforcement, the development of the private economy, and international integration. VBF and the business community firmly believe that these breakthrough policies will lay the foundation for Vietnam to accelerate sustainable economic growth in the coming decades.

In this context, creating a stable tax environment with an aim to encourage sustainable business growth plays a crucial role. Although the Government and relevant agencies have made tremendous efforts in the process of perfecting the tax legal system, the application of regulations still has some shortcomings, hindering the smooth investment process of enterprises. Among them, I would like to present three urgent issues as follows:

Firstly, for enterprises which manufacture high-tech electronic products, research and development activities and trial production play a vital and essential role. Accordingly, the enterprises must import raw materials, machinery, and tools from suppliers in the supply chain without the obligation to pay. Receiving goods without payment to conduct the above activities is only an inseparable step of the factory's production activities. Because of this step, successfully developed products will be requested by customers for mass production. These activities also align with the Party and State's policy on promoting research, development and innovation as stated in Resolution 57-NQ/TW. It is therefore impossible to separate this activity of receiving goods without payment from the main business activities to require the enterprise to pay taxes differently from its main business activities.

Secondly, the new Customs Law, which is effective from July 1, 2025, allows on-the-spot import-export to be conducted without distinguishing whether foreign enterprises have a presence in Vietnam or not. Many enterprises, however, face obstacles and difficulties because the new regulations are not applied retroactively. Domestic enterprises, which import on-the-spot from foreign traders who has a presence in Vietnam before July 1, 2025, have paid sufficient import taxes and used imported raw materials for 100% export production, are currently not considered for import tax refunds. We respectfully request the Government and ministries to consider approving import tax refunds for these cases.

Thirdly, many contractors, who import goods for the construction of export processing enterprises, have complied with the Ministry of Finance's instructions but are still subject to tax recapture collection by customs authorities. We fully agree with the speech of the Chairman of Kocham on this issue. The inconsistent and unfair application of tax policies causes difficulties for businesses and negatively affects the investment environment in Vietnam.

We sincerely hope that the Government and relevant agencies will consider and soon resolve the obstacles that we have summarized in the working group's report, including the issues mentioned above, thereby contributing to perfecting the legal framework, improving the investment environment, building trust, and increasing Vietnam's competitiveness on the international stage.

Thank you very much!

POSITION PAPER OF TAX & CUSTOMS WORKING GROUP
LIST OF CUSTOMS ISSUES

No.	Areas	References	Issue	Recommendations	Company Name
1	Customs	Article 16, Circular 33/2023 of MOF on determination of origin of goods	C/O shows HS code different from HS code on import declaration The regulation requires the importer to provide (i) the production process and (ii) the producer's origin calculation sheet to justify the validity of the C/O in cases where there is a discrepancy between the HS code on the C/O and the HS code on the import declaration, even if the origin criteria of the HS code on the C/O and the HS code on the declaration are both based on Regional Value Content (RVC/LVC). This creates major difficulties for enterprises and is not really necessary because: The documents (i) production process and (ii) origin calculation sheet usually contain confidential information of the producer (such as production technology, list of raw materials, and production costs, ...) so the producer will hardly be willing to provide them to the importer for submission to customs authorities of the importing country for explanation; whereas	Consider amending the regulation on handling C/O in case of HS code discrepancy between the C/O and the import declaration. Specifically, if the origin criteria of these HS codes are the same level of RVC/LVC, then Customs should consider accepting the C/O if there are no other doubts, without requiring enterprises to provide (i) production process and (ii) the producer's origin calculation sheet for explanation and proof.	General issue of many enterprises

No.	Areas	References	Issue	Recommendations	Company Name
			The HS code essentially does not affect the calculation formula for RVC/LVC, so a discrepancy of HS codes between the C/O and the customs declaration will not affect the validity of the C/O if the origin criteria of these HS codes are the same level of RVC/LVC.		
2	Customs	Decree 31/2018; Article 15, Decree 43/2017, amended and supplemented in Decree 111/2021; Clause 1, Article 5, Circular 33/2023.	Determination and declaration of origin of export goods Under current regulations, in cases where goods undergo only simple processing or assembly in Vietnam (e.g. simple assembly from imported materials) as provided in Article 9, Decree 31/2018, or do not yet meet Vietnam origin criteria (do not meet LVC or CTC criteria, ...), the exporter must: (i) Declare origin on the customs declaration and other customs dossier documents (if necessary) as “undetermined”, with the goods description on the export declaration in the format “description of goods#&KXĐ” (Clause 1, Article 5, Circular 33/2023). (ii) Origin of goods on the product label (if shown) must be expressed with one of the phrases or combinations of phrases indicating the final processing stage such as: “assembled in”; “bottled in”;	Refer to rules of origin of the EU and US: (i) The EU allows the use of supplementary rules in cases where two or more countries participate in the production process but the last operation does not qualify as country of origin. Then the origin is determined based on the origin of materials. Specifically, if the HS code of the product is from Chapters 1–29 or 31–40, it is determined by the weight of the materials of predominant origin; if in other Chapters, by the value of the	General issue of many enterprises

No.	Areas	References	Issue	Recommendations	Company Name
			“blended in”; “finished in”; “packed in”; “labeled in” followed by the final place of completion being “Vietnam” (Article 15, Decree 43/2017, amended in Decree 111/2021). This has caused difficulties for exporters, especially those exporting to the US and EU markets, where importers require Vietnamese enterprises to indicate the origin of goods as a specific country or territory. This unintentionally limits the export ability of Vietnamese enterprises.	materials of predominant origin. (ii) The US, though not having supplementary rules like the EU, allows the origin to remain the country where substantial transformation of the material occurs to create the product or semi-finished product, even if that country is not where the final step takes place. Example: Optical fiber made in France from glass preforms, then sent to China for cutting and connectorization. When exported to the US, it is still determined as French origin. Proposal: Consider adding a mechanism allowing Vietnamese enterprises to determine export goods origin similar to EU and US practices in cases where goods exported	

No.	Areas	References	Issue	Recommendations	Company Name
				do not qualify as Vietnam origin.	
3	Customs	Article 22, Decree 85/2019	Specialized inspection for domestically exported and imported goods. This Decree stipulates that such goods are exempt from specialized inspection before customs clearance (exempt from state inspection on food safety and product quality). This provision has led to different interpretations and shortcomings in customs procedures and specialized management. (i) Interpretation 1: Enterprises are only exempt from submitting specialized inspection documents when carrying out customs procedures for clearance but still must comply with specialized inspection regulations (conformity certification, conformity announcement, product declaration, etc.) before circulating goods in Vietnam. (ii) Interpretation 2: Enterprises are exempt from all specialized inspection procedures both during customs clearance and circulation in Vietnam.	Supplement with specific guidance on the exemption of specialized inspections during customs procedures and circulation of domestically exported and imported goods in Vietnam. In case a company engaged in domestic import is still required to comply with specialized regulations before circulating goods, it may use the dossier already completed for specialized inspection of the exporter's goods (if any) as evidence, without having to repeat the inspection procedures.	General issue of many enterprises
4	Customs	Clause 20, Article 5 of the	VAT policy on goods imported by construction contractors supplying to	The Ministry of Finance (General Department of	General issue of many enterprises

No.	Areas	References	Issue	Recommendations	Company Name
		Law on VAT No. 13/2008/QH12	Export Processing Enterprises (EPEs). According to Official Letters No. 2870/BTC-TCHQ dated 05/03/2013, No. 12366/BTC-TCHQ dated 17/09/2013, and No. 1697/BTC-TCHQ dated 08/02/2014, the Ministry of Finance and the General Department of Customs, based on Clause 20, Article 5 of the VAT Law No. 13/2008/QH12, guided that: <u>“General contractors and subcontractors importing goods for the construction of factories and offices for investors that are EPEs shall also have such imported goods exempted from VAT.”</u> Accordingly, enterprises acting as contractors for EPE investors declared VAT exemption when importing goods to build factories for EPEs. These goods, after importation, were delivered directly into the EPE and used exclusively within the EPE. The EPE and the contractors also fully submitted reports to Customs as prescribed in Circular 38/2015/TT-BTC, as amended and supplemented by Circular 39/2018/TT-BTC, regarding the volume of goods imported by contractors to supply to EPEs. Subcontractors, when selling to general contractors, issued invoices with VAT (10%)	Customs) issued Official Letters No. 2870/BTC-TCHQ dated 05/03/2013, No. 12366/BTC-TCHQ dated 17/09/2013, and No. 1697/BTC-TCHQ dated 08/02/2014 guiding Samsung C&T Corporation and Samsung Electro-Mechanics Vietnam Co., Ltd. that contractors (both general and subcontractors) are not required to pay import duties and VAT when importing goods to supply to EPEs under construction contracts. Therefore, to ensure fairness, consistency, and non-discrimination among enterprises/investors under the same legal basis, we recommend that Customs authorities carefully review and instruct local Customs offices to allow construction contractors not to re-declare and repay VAT at the import stage if goods were imported by contractors to supply to EPEs under construction contracts, and in reality, after customs clearance, the goods	

No.	Areas	References	Issue	Recommendations	Company Name
			on the total value of completed construction items under subcontract agreements. These output VAT invoices were declared and paid in full to the domestic tax authority by subcontractors. Nevertheless, Customs authorities currently require contractors to re-declare import declarations and pay additional VAT related to imported goods for construction for EPE investors.	were delivered directly into and used exclusively within the EPE.	

No.	Areas	References	Issue	Recommendations	Company Name
5	Customs	Point g, Clause 1, Article 15 of Decree No. 31/2018/ND-CP. Clause 3, Article 7 of Circular 05/2018/TT-BCT.	Raw materials or goods of domestic origin used in subsequent stages of production to manufacture another good. <i>Decree No. 31/2018/ND-CP stipulates that the dossier for applying for a certificate of origin (C/O) includes: the origin declaration from the manufacturer or supplier of raw materials of origin, or goods of origin produced domestically, in the case such raw materials are used for further processing to produce another good, using the form prescribed by the Ministry of Industry and Trade.</i> Specifically, Annex X issued together with Circular 05/2018/TT-BCT. In Annex X, domestic manufacturers declare raw materials of Vietnamese origin and confirm they meet the rules of origin criteria (3) [Specify the rule of origin, e.g., CC/RVC...%] as provided in the Chapter on Rules of Origin in (4) [Enter FTA/Circular name, e.g., VKFTA/Annex I of Circular...]. This declaration form does not apply to traders applying for C/O Form D. Several issues arise: (i) For traders applying for C/O Form D: If raw materials or goods of domestic origin are used in the production of	It is recommended to provide clearer guidance on these cases.	General issue of many enterprises

No.	Areas	References	Issue	Recommendations	Company Name
			another good, what documentation should the trader applying for C/O Form D provide? Should the domestic manufacturer applying for C/O Form D validly tick the “Partial Cumulation” box to provide to the trader applying for C/O Form D (EPE)? If applied this way, it would increase costs and time for both the domestic manufacturer and the trader applying for C/O. (ii) For other cases: The Decree and Circular do not clearly guide how the declaration and cumulation of the value of domestic-origin raw materials should be calculated when assessing the origin of goods subject to C/O applications. Example: Final goods subject to C/O application: Applying RVC/LVC criteria under the applicable rules of origin: ▪ <u>Case 1:</u> Raw materials of domestic origin meet the CTC criterion under the applicable rules of origin. When assessing the final goods’ origin under RVC/LVC, can the entire value of the domestic-origin raw materials be included in calculating the RVC/LVC percentage?		

No.	Areas	References	Issue	Recommendations	Company Name
			▪ Case 2: Raw materials of domestic origin meet the LVC criterion under the applicable rules of origin (e.g., actual RVC/LVC ratio is 70%). When assessing the final goods' origin, can the entire value of the domestic-origin raw materials be included in the RVC/LVC calculation? Or should only the portion corresponding to the actual 70% RVC/LVC be included?		

No.	Areas	References	Issue	Recommendations	Company Name
6	Customs	Clause 3, Article 3 of Law 90/2025/QH15; Clause 19, Article 1 of Decree 167/2025/ND-CP	On-the-spot import-export transactions involving multiple foreign traders and licensing for on-the-spot import-export activities (if any). - Clause 3, Article 3 of Law 90/2025/QH15 stipulates: <i>“Article 47a. Customs inspection and supervision of on-the-spot exported and imported goods</i> <i>On-the-spot exported and imported goods are goods delivered and received in Vietnam under the designation of <u>foreign traders</u> according to sales, processing, leasing, or borrowing contracts between Vietnamese enterprises and <u>foreign traders</u>.”</i> - Clause 19, Article 1 of Decree 167/2025/ND-CP stipulates: <i>“Article 35. Customs procedures, inspection, and supervision of on-the-spot exported and imported goods</i> <i>On-the-spot exported and imported goods are those specified in Clause 1, Article 47a of the Customs Law as supplemented in Clause 3, Article 3 of the Law amending and supplementing several laws, including the Law on Procurement; the Law on Investment</i>	It is recommended to issue specific guidance: - Allowing on-the-spot import-export transactions involving multiple foreign traders. - Foreign traders participating in on-the-spot import-export transactions should not be required to obtain business licenses for export, import, or distribution rights from the Ministry of Industry and Trade or investment management authorities.	General issue of many enterprises

No.	Areas	References	Issue	Recommendations	Company Name
			<i>under the PPP method; the Customs Law; the Law on VAT; the Law on Export and Import Duties; the Law on Investment; the Law on Public Investment; the Law on Management and Use of Public Assets, including:</i> <i>a) Goods processed in Vietnam at the order of a <u>foreign trader</u> and sold or transferred to an organization or individual in Vietnam;</i> <i>b) Goods bought, leased, or borrowed between Vietnamese enterprises and <u>foreign traders</u>, designated by the <u>foreign traders</u> to be delivered or received with Vietnamese enterprises.”</i> In practice, in supply chains, there are many on-the-spot import-export transactions involving multiple foreign traders. The two above provisions do not prohibit but also do not clearly stipulate whether the participation of multiple foreign traders in on-the-spot import-export transactions is permitted. Example: Company A in Vietnam sells goods to Company B abroad, Company B resells to Company C (also abroad), then Company C sells to Company D in Vietnam, with goods delivered directly from Company A to Company D. Two issues arise:		

No.	Areas	References	Issue	Recommendations	Company Name
			(i) Can such a transaction involving two foreign traders (Company B and Company C) be considered on-the-spot import-export under Clause 3, Article 3 of Law 90/2025/QH15 and Clause 19, Article 1 of Decree 167/2025/ND-CP? (ii) Do Companies B and C, as foreign traders conducting trading activities within Vietnam's territory under on-the-spot import-export, need to obtain business licenses for export, import, and distribution rights from the Ministry of Industry and Trade or investment management authorities?		

No.	Areas	References	Issue	Recommendations	Company Name
7	Customs	Article 9 of Law 48/2024/QH15; Article 17 of Decree 181/2025/ND-CP.	VAT on goods sold to foreign traders, designated for delivery at bonded warehouses. Official Letter No. 1872/BTC-TCT dated 17/02/2025 from the Ministry of Finance to the People's Committee of Dong Nai Province stated: <i>"In cases where a domestic enterprise sells goods to foreign traders with presence in Vietnam and is designated to deliver goods to a third party (a Vietnamese enterprise) through a bonded warehouse, such goods do not satisfy the conditions of being goods exported and consumed abroad, or goods sold to entities in non-tariff zones and consumed therein. Therefore, such goods are not considered exports eligible for 0% VAT under Clause 1, Article 9 of Circular 219/2013/TT-BTC."</i> However, Circular 219/2013/TT-BTC cited in Official Letter 1872 expired on 01/07/2025. As a result, two issues arise: (i) From 01/07/2025, if a domestic enterprise sells goods to a foreign trader and is designated to deliver them to another Vietnamese enterprise through a bonded warehouse, will such transactions qualify for 0% VAT under Article 9 of Law 48/2024/QH15 and Article 17	It is recommended to issue specific guidance addressing the above-mentioned issues (i) and (ii).	General issue of many enterprises

No.	Areas	References	Issue	Recommendations	Company Name
			of Decree 181/2025/ND-CP? (ii) In cases where a domestic enterprise sells goods to a foreign trader and is designated to deliver them into a bonded warehouse, after which the foreign trader decides the disposition of the goods: at the time of customs export declaration, the domestic enterprise does not know whether the goods will subsequently be exported abroad or resold to another Vietnamese company. In this situation, can the domestic enterprise apply the 0% VAT rate for goods exported into the bonded warehouse? If not, clearer guidance is needed to ensure enterprises comply correctly.		
8	Customs	Decree 134/2016/ND-CP Decree 167/2025/ND-CP Decree 08/2015/ND-CP Article 47a, Amended Customs Law.	Refund of import duty for goods imported under on-the-spot import (before 01/07/2025) used for export production. Regarding on-the-spot import and export activities, since 25/06/2025, the Government and the National Assembly have approved the new Customs Law effective from 01/07/2025, which allows on-the-spot import and export regardless of whether foreign traders have a presence in Vietnam, as the old regulation was no longer aligned with the Government's development orientation and investment promotion policies.	We respectfully request that the Government and relevant Ministries/Agencies consider approving import duty refunds for on-the-spot imports conducted before 01/07/2025, provided that such goods were fully used for export production activities, without being affected by the factor of foreign traders having presence in Vietnam.	General issue of many enterprises

No.	Areas	References	Issue	Recommendations	Company Name
			However, many enterprises are still facing obstacles and difficulties since the new regulation is not applied retroactively. Specifically, cases where domestic enterprises conducted on-the-spot imports from foreign traders with presence in Vietnam before 01/07/2025 (where the foreign trader designated another enterprise in Vietnam to deliver the goods), have already paid import duties, and used the imported raw materials 100% for export production (with finished products already exported), are currently not eligible for import duty refunds.		

LIST OF TAX ISSUES

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
1	Tax	Regulations on corporate income tax and official letters guiding tax incentives for free-of-charge goods	Tax incentives for free-of-charge goods: In the course of its investment and business operations, regarding corporate income tax (CIT), the Company has encountered difficulties in the application of the policy on preferential tax rate for the goods being materials, equipment, and tools the Company has received from suppliers in the Company's input supply chain under a "free-of-charge" arrangement, which are used for research, development, and testing of electronic technology products serving production and business activities. Specifically, through discussions with the local tax authority, the authority has taken the view that free-of-charge goods received in the above circumstances must be recognized as other income, subject to a tax treatment that is entirely separate from the Company's main production and business activities. Accordingly, such income would not be eligible for CIT incentives even where the main production and business activities are currently enjoying preferential tax treatment. In our view, this proposed tax treatment is inconsistent with the applicable tax regulations. First, with respect to the nature and practical realities of enterprise production and business activities: In the field of high-tech manufacturing,	We respectfully request the Ministry of Finance, the Tax Department, and the relevant authorities to consider and assess the matter in accordance with the actual nature of the Company's production and business activities. The receipt of free-of-charge goods from suppliers for the purposes of inspection, testing, and pilot production is an integral part of the Company's overall manufacturing process, and should not be treated as a separate transaction outside its business operations. Accordingly, any income (if applicable) attributable to such free-of-charge goods should be treated consistently with the income from the Company's principal production activities. This means that such income should either continue to enjoy the applicable CIT incentives of the main business activities (where such incentives remain) or be subject to the standard CIT rate if the main business activities are no longer entitled to tax incentives.

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
			investors are required to use certain specialized materials, tools, and equipment with unique technical specifications. In practice, suppliers within the supply chain may provide such items on a free-of-charge basis to enable enterprises to conduct research, development, and product testing efficiently, reduce costs, and enhance product competitiveness. This is a common and necessary practice in responsible supply chain collaboration, where suppliers participate in product development to support the creation of commercially viable products that generate revenue for the entire supply chain. Therefore, the receipt of materials, components, tools, and equipment from suppliers for the above-mentioned production, research, and development purposes should not be regarded as a normal gratuitous or donation activity. Rather, it is directly connected to, and arises from, the enterprise's production and business operations and is aligned with its core business objectives. The first step of receiving free-of-charge goods of enterprises is mandatory in the entire production and business process, it should not be understood as the time of generating income to pay taxes. Second, the position taken by the Tax Department is inconsistent with previous guidance issued by tax authorities. Specifically, provincial tax authorities have previously applied	

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
			CIT incentives in similar circumstances, as reflected in Official Letter No. 578/CT-TTHT dated 09 April 2018 of the Bac Ninh Tax Department and Official Letter No. 11368/CT-TTHT dated 11 July 2019 of the Binh Duong Tax Department. This inconsistency in interpretation and application of the same legal provisions to the same type of transaction creates significant uncertainty for investors in complying with tax regulations, and adversely affects the transparency and predictability of Vietnam's investment environment.	
2		Law on Tax Administration No. 38/2019/QH14 (Clause 3, Article 44) Circular 156/2013/TT-BTC has been amended and supplemented by Circular 151/2014/TT-BTC (Clause 3 Article 10, Clause 7 Article 12)	Timing for declaring CIT on income from indirect capital transfer: - Vung Ang II Thermal Power Company Limited ("VAPCO") was established in Vietnam on 26 October 2007. The project owner is OneEnergy Asia Limited ("1EA"), a company incorporated in the Cayman Islands, holding 100% equity in VAPCO. Under the BOT Contract dated 15 December 2020 between the Ministry of Industry and Trade (the Vietnamese contracting authority) and 1EA (the project owner), VAPCO is the BOT Company responsible for implementing the Vung Ang II BOT Thermal Power Plant Project. - CLP Vietnam (VAPCO) Limited and DGA Vung Ang 2 B.V. are the two investors in	According to the Law on Tax Administration and its guiding regulations (applicable before 01 January 2022): - The deadline for submitting tax declarations for each instance of tax liability is no later than the 10th day from the date the tax liability arises. - For foreign contractors transferring capital, the deadline for submitting tax declarations is the 10th day from the date the competent authority approves the capital transfer, or the 10th day from the date the parties sign the capital transfer agreement in cases where approval is not required. Based on the above regulations, we

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
			1EA. On 11 December 2018, CLP and DGA entered into a share transfer agreement (“Agreement”) with Chugoku Electric Power International Netherlands B.V. (“Chugoku”). According to the extract of 1EA’s shareholder records maintained with the Cayman Islands register, Chugoku was recorded as a shareholder of 1EA on 20 March 2019. However, Chugoku’s participation in the Vung Ang II Project as a shareholder of 1EA was only approved by the Ministry of Industry and Trade (the competent state authority) on 11 October 2021 under Official Letter No. 1932/ĐL-BOT. - This is an indirect capital transfer transaction through the transfer of shares in a foreign company holding an investment in a Vietnamese company. Based on the prevailing regulations on CIT declaration for capital transfer transactions, and pursuant to the Agreement and the BOT Contract, CLP/DGA declared and paid CIT on income from the capital transfer on 22 November 2021, when Chugoku’s shareholder status in 1EA was officially approved by the Ministry of Industry and Trade and the conditions precedent under the Agreement were satisfied. - However, during discussions with the	understand that in the capital transfer transaction conducted by CLP/DGA (foreign contractors), the deadline for declaring CIT on the capital transfer is 10 days from the date on which the Ministry of Industry and Trade (MOIT), as the competent Vietnamese authority, approved the transaction. The fact that Chugoku was recorded as a shareholder of 1EA on 20 March 2019 in the shareholder register maintained in the Cayman Islands does not in itself constitute sufficient grounds to determine the time for tax declaration, as the approval of the competent Vietnamese authority had not yet been obtained. The BOT Contract dated 15 December 2020 (Clause 26.8) also explicitly provides that: <i>“(ii) ... the Transferring Investor or its shareholder must first obtain the prior approval of the Ministry of Industry and Trade...</i> <i>... The same procedure shall apply to the obtainment of the Ministry of Industry and Trade’s approval, with necessary modification, for changes in the ownership of the investor or its direct or indirect shareholders...</i>” On 11 October 2021, the Ministry of

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			Regional Tax Sub-department XI (now the Ha Tinh Provincial Tax Department), the tax authority expressed the view that the CIT declaration should have been made as of 20 March 2019, when CLP and DGA completed the registration of the ownership transfer to Chugoku in the Cayman Islands. The Ha Tinh Tax Department has reported the matter to the General Department of Taxation for guidance. To date, no official guidance has been issued.	Industry and Trade issued an official letter to the investor (1EA) confirming that it had no objection to the change of shareholder ownership in 1EA. Only upon issuance of this document was Chugoku officially recognized by the Government of Vietnam as a new investor of VAPCO. As the BOT Contract clearly requires this approval procedure for indirect capital transfers, the timing for tax declaration should be determined based on the MOIT's approval date (11 October 2021). Furthermore, under the Share Purchase Agreement, the amount Chugoku paid the seller on the date the Buyer was registered in 1EA's shareholder list did not generate any profit from the capital transfer. Thus, no tax obligations arised. Therefore, to determine the timing for CIT declaration for the capital transfer transaction, the timing when the Seller gets profit must also taken into account. In this case, this occurred only upon satisfaction of the conditions for final payment to the Seller (i.e., execution of the BOT Contract and financial close), specifically on 22 November 2021. Accordingly, we believe that declaring CIT on income from the capital transfer

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				by CLP/DGA through VAPCO at the time when income was actually realized (22 November 2021) is consistent with the applicable legal regulations. We respectfully request the Tax Department to carefully consider this case and provide appropriate guidance to ensure the legitimate rights and interests of the investor.
3	Tax	Clause 15, Article 7 of Circular 78/2014/TT-BTC	Tax Treatment of Support from Foreign Governments Currently, some developed countries (e.g., Japan) have investment incentive programs that provide direct financial support to domestic enterprises' investment projects, including projects of those enterprises in other countries such as Vietnam. Accordingly, in Vietnam, many FDI enterprises established from foreign investors' projects also receive direct subsidies from the respective foreign government's funds. However, under current corporate income tax (CIT) regulations, such investment support is classified as "other income" and is subject to a 20% tax rate, without eligibility for tax incentives. Applying this tax rate to support from foreign governments increases costs for investors and reduces the effectiveness of these support programs, thereby diminishing the attractiveness of Vietnam's investment environment.	Exempting or allowing preferential tax treatment for direct support from foreign government budgets would help domestic FDI enterprises more easily access additional funding, enhancing their financial capacity to expand investment activities. At the same time, this would contribute to promoting a transparent and attractive investment environment for foreign investors. Therefore, we respectfully propose that the Ministry of Finance and the Tax Department study, review, and amend the relevant regulations in the manner outlined above.

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	Tax	Clause 6, Article 18 of Circular No. 78/2014/TT-BTC is amended and supplemented by Clause 4, Article 10 of Circular No. 96/2015/TT-BTC Article 131 of Decree No. 31/2021/ND-CP is supplemented by Article 71 of Decree No. 35/2022/ND-CP Clause 2, Article 66 of Decree No. 118/2015/ND-CP Clause 1, Clause 3, Article 156 of the Law on Promulgation of Legal Documents No. 80/2015/QH13 Official Letter 2721/TCT-CS dated 26/6/2024 to the Tax Department of Vinh Phuc province and PVN Official Letter 160525/CV-PVN dated 16/5/2025	Corporate Income Tax Incentives for Investment Expansion Projects The Company has an investment expansion project in Binh Xuyen Industrial Park, Huong Canh District, Vinh Phuc Province (currently Phu Tho Province), which is an industrial park located in an area without favorable socio-economic conditions, with a total investment capital of USD 75 million. Under the provisions of the Corporate Income Tax (CIT) law, investment expansion projects are entitled to CIT incentives equivalent to those applicable to new projects, provided that the additional fixed assets of the project upon completion reach at least VND 10 billion for expansion projects implemented in areas with difficult or especially difficult socio-economic conditions as prescribed by law. According to the list of incentive areas, Appendix III issued with Decree No. 31/2021/ND-CP guiding the Investment Law (“Decree 31”), the currently effective list of investment incentive areas including two categories: areas with especially difficult socio-economic conditions and areas with difficult socio-economic conditions, the Industrial Park established under the Prime Minister’s decision is listed under areas with difficult socio-economic conditions to qualify for investment incentives	We respectfully request that the Ministry of Finance and the Tax Department carefully study and thoroughly review this matter, providing specific, clear, and reasonable guidance. This will facilitate the Company’s implementation of Vietnam’s corporate income tax incentive policies while ensuring the Company’s legitimate rights and interests are fully protected.

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			based on location. Therefore, the Company's 2023 investment expansion project in Binh Xuyen Industrial Park, Huong Canh District, Vinh Phuc Province, established by the Prime Minister's decision, is considered an investment expansion project located in an area with difficult socio-economic conditions. However, in response to the Tax Department of Vinh Phuc Province (now Phu Tho Province) and the Company, the General Department of Taxation (now the Tax Department) provided guidance that we consider unsatisfactory. The guidance was largely based on the tax authority's viewpoint, without fully considering the relevant legal provisions, and did not appropriately address the Company's concerns. This has caused difficulties in implementation and affected the legitimate rights of investors as well as the investment environment in Vietnam. Specifically, the General Department of Taxation expressed the view that the currently effective list of incentive areas under Decree 31 should not be applied to industrial parks for assessing CIT incentives. The General Department further stated that <i>"the general principle under CIT law is that incentives are separated between location and park (including industrial parks, except for parks in areas with favorable socio-economic conditions in accordance with the law). CIT law</i>	

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			<i>does not provide CIT incentives for investment projects in industrial parks according to the rates applicable to projects located in areas with difficult socio-economic conditions.”</i> We believe this viewpoint of the General Department of Taxation is inconsistent with the principle of applying legal documents under the Law on Promulgation of Legal Documents as the list of CIT incentive areas issued with Decree 218/2013/ND-CP has been repealed and replaced by the list of investment incentive areas under Decree 31, which is the only effective list currently in force and should be used as the reference for applying CIT incentives.	
4	Tax	According to Circular No. 80/2021/TT-BTC issued by the Ministry of Finance on September 29, 2021 (Article 63), in order to be eligible for tax exemption or reduction on income arising from lending activities in Vietnam under an international treaty (in the case of IFC, under the IFC Charter), IFC or its authorized organization must submit an application for tax exemption or reduction under the	Difficulties in the procedure for applying for tax exemption or reduction under international treaties for loans from International Financial Institutions Under current regulations, enterprises are required to submit, on behalf of the lender, a written request in the form of Form No. 01/DUQT as prescribed in Circular No. 80/2021/TT-BTC to the State Bank of Vietnam in order to obtain confirmation for the purpose of tax exemption under an international treaty. However, to date, the confirmation on the tax exemption request has not been issued by the State Bank of	We respectfully request that the Ministry of Finance review this matter and coordinate with the relevant authorities to promptly accelerate the process and provide a comprehensive solution to resolve the current difficulties related to the application procedure for tax exemption or reduction on income from IFC loan agreements. Specifically, we urge the rapid issuance of the form and confirmation content so that the State Bank of Vietnam can issue confirmations for enterprises with valid grounds to apply for tax exemption under the

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		international treaty to the tax registration authority. This application must include a written request in the form of Form No. 01/DUQT, issued together with Appendix I of the Circular, certified by the competent authority that proposed the conclusion of the international treaty, along with the relevant documents.	Vietnam. - We understand that the State Bank of Vietnam and the Ministry of Finance have exchanged numerous documents and reports to the Government Office regarding this issue. Nevertheless, no official guidance has yet been issued for enterprises to follow. - From our discussions, we understand that the Tax Department is conducting internal consultations to provide a solution to the issues where the State Bank of Vietnam still faces difficulties. Specifically, the parties are discussing amending certain contents of Form No. 01/DUQT issued with Circular No. 80/2021/TT-BTC in order to meet the requirements of the State Bank. - Regarding this matter, the enterprise submitted its first request to the Bac Ninh Tax Department on July 12, 2022, which has now been more than two years. The enterprise has also sent communications to the General Department of Taxation and the Government. However, to date, the confirmation on the tax exemption request has still not been issued by the State Bank of Vietnam. As a result, the enterprise is unable to exercise its rights to tax exemption or reduction under the international treaty.	international treaty.
5	Tax	Clause 1, Article 156, Law No. 80/2015/QH13 promulgates	Application of tax exemption under international treaties	This case is not a problem related to the correction of the certification form with

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		legal documents regulating the application of legal documents as follows: <i>"Legal documents are applied from the time they take effect. Legal documents are applied to acts occurring at the time when such documents are in effect. In case the provisions of a legal document take effect retroactively, such provisions shall apply."</i>	The Government of Vietnam (represented by the State Bank of Vietnam) has signed a number of framework agreements/memorandums of understanding with a number of financial institutions such as: Netherlands Development Finance Corporation – abbreviated as FMO; Economic Cooperation Promotion and Participation Company – abbreviated as PROPARCO; The International Finance Corporation – IFC for short, which commits to allow these financial institutions to be exempt from all direct or indirect taxes on all activities and transactions related to development assistance and on payments payable to these Institutions such as principal, interest, dividends, guarantee fees. The Ministry of Foreign Affairs of Vietnam has also confirmed in writing that the Memorandum of Understanding and the Framework Agreement are both international treaties that the Vietnamese Government needs to strictly comply with the signed commitments. Regarding dossier procedures for application of tax exemption and reduction under international treaties: Before December 2013, the Law on Tax Administration and documents under the Law did not provide guidance on procedures for dossiers of application of tax exemption under international treaties. Only after the promulgation of Circular 156/2013/TT-BTC (effective on	the Bank of Agriculture like other cases and has also been left for too long, therefore, we would like to request the Ministry of Finance and the Department of Taxation to study, consider and soon solve thoroughly, in order to help investors feel assured in the implementation of Vietnam's legal system. Specifically, for loan contracts signed before the issuance of Circular 156 (December 2013), enterprises do not have to submit dossiers for application of international treaties because there are no regulations. Loan contracts signed after the effective date of Circular 156 (20/12/2013) must submit dossiers of application of exemption and reduction under international treaties as prescribed.

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			20/12/2013) will there be regulations on procedures for application of tax exemption under international treaties, which stipulates: <i>"Within 03 (three) working days from the date of signing the contract with the Vietnamese party, the foreign organization or individual shall send to the tax authority where the tax is registered a dossier of notice of exemption, tax reduction, including..."</i>; Circular 156/2013/TT-BTC also does not provide for the retroactive application of these procedures to contracts signed before the effective date of the Circular. However, in fact, Quang Ninh Tax has required us to have a dossier of notification of tax exemption under international treaties for contracts that have been signed before the time when the regulations on dossiers and procedures are issued before accepting tax exemption and reduction according to the provisions of international treaties. Accordingly, we have sent an official letter to the Ministry of Finance since 02/2020, but so far it has been more than 5 years without receiving an official letter replying on this issue. As analyzed above, this request is unfounded, affecting the direct interests of international organizations and our company itself; and also inconsistent with the provisions on the application of legal documents in Clause 1, Article 156, Law No. 80/2015/QH13. This	

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			requirement will cause Vietnam to violate commitments with international organizations, not ensure the principle of validity in the application of legal documents, and accordingly will affect Vietnam's reputation, affect the confidence of foreign investors in general in law enforcement in Vietnam.	
6	Tax	VAT Law No. 48/2024/QH15; Clause 3, Article 37, Decree 181/2025/ND-CP (Decree 181) detailing the implementation of a number of articles of the VAT Law	The determination of sellers who have declared and paid VAT for tax refund purposes shall comply with the provisions of Decree 181 One of the conditions for a business establishment to be entitled to VAT refund: <i>"a) At the time the business establishment submits the tax refund dossier, the seller has submitted the VAT declaration dossier as prescribed and no longer owes the VAT amount of the tax period corresponding to the tax period of the tax refund period of the business establishment requesting tax refund."</i> The above regulation takes effect from July 1, 2025 – the effective date of Decree 181. Although the regulation also states, <i>"The tax administration agency at the time the business establishment submits the tax refund dossier on the basis of the processing results of the</i>	In addition to agreeing with the above regulations, the Company believes that the method and time of implementation to apply this regulation should be considered in detail, thoroughly and consistently, should set out a step-by-step implementation roadmap, to ensure that the new regulations are reasonable and do not affect the business activities of taxpayers. Accordingly, at the present time, when the tax system has not yet met this requirement, we propose that the Ministry of Finance/Tax Department consider directing local tax authorities to settle VAT refunds for cases of tax refund first, inspection later, etc. to promptly settle financial resources for enterprises, not affecting business activities of enterprises.

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			<i>automatic information technology system to determine that the seller has declared and paid VAT as prescribed"</i>, however, by the time the Company submitted this proposal, the automatic information technology system of the tax authority has not been able to meet the inspection and determination of whether the seller has declared and paid tax on the invoices issued by the seller to the Company or not. Accordingly, the tax refund dossier that the Company periodically submits to the tax authority has not been accepted. At the same time, tax administrators have not been able to determine when this problem can be handled because they are still waiting for guidance from the Tax Department (formerly the General Department of Taxation). Contacting the direct tax administration agency (Phu Tho Provincial Tax Department), the Company learned that besides the Company, businesses with the characteristics of periodic VAT refund in the province are also facing a similar situation. It can be seen that this will affect the financial resources for the business activities of many businesses.	
7	Tax	- Clause 4, Article 18, Circular 219/2013/TT-BTC dated 31/12/2013 of the Ministry of	Value Added Tax (VAT) refund for export activities	Vina Kyoei urgently proposes the Ministry of Finance and the Tax Department to consider and answer

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		Finance (amended by Point b, Clause 12, Article 1, Circular 26/2015/TT-BTC dated 27/02/2015 of the Ministry of Finance and Article 2, Circular 25/2018/TT-BTC dated 16/03/2018 of the Ministry of Finance) - Official Letter No. 1752/BTC-TCT dated 10/2/2014 of the Ministry of Finance - Official Letter 11797/BTC-TCT of the Ministry of Finance dated 22/08/2014	Vina Kyoei Steel Co., Ltd. is a joint venture company established with 60% investment capital from Japan and 40% investment capital from Vietnam Steel Corporation – Joint Stock Company, operating in the field of iron, steel and cast iron production. The company has submitted a dossier of request for input VAT refund for export activities for the period from 12/2021 – 11/2022 to the Department of Taxation in 01/2023 and has been inspected by the Department of Taxation for VAT refund from 20/02/2023. After nearly 2 years since the Company submitted the tax refund application, on November 15, 2024, the inspection team issued Notice 36602/TB-CTBRV-KDT concluding that the Company is not eligible for tax refund for the entire VAT amount of the enterprise with the amount of VND 88,253,165,804 for the following reasons: The company uses taxpayer invoices that do not operate at the registered business address; taxpayers with tax risk warnings..... The inspection team based on the fact that the company has purchased goods from 8 suppliers in high-risk cases of tax and invoice to refuse tax refund, even though the company has provided sufficient documents to prove that the company's transactions with these suppliers are real and	problems about the Company's tax refund case. Request the representative of the Ministry of Finance and the Department of Taxation to confirm to us, in the situation that we have presented all valid dossiers and documents, proving that the Company's trading relationship with suppliers is real and actually takes place. However, after the supplier no longer operates at the headquarters, we can still process tax refunds for valid transactions that have been made before. This issue is of great significance and has a great impact on the maintenance of our business in Vietnam. I hope that the Ministry of Finance and the Tax Department will answer to ensure the legitimate interests of enterprises, help companies feel secure in production and business and contribute to the development of the country's economy.

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			actually take place. Perspective of the business: • The classification of risks of enterprises belongs to the management of tax authorities. This classification system is not public. At the time the transaction took place, the enterprise checked the supplier's information but did not have any official notice from the tax authority or the authorities about the suspension of business by these suppliers or the invoices were no longer valid. • The notices that the Inspection Team is using as a basis for risk assessment of suppliers are all documents issued after the tax refund period that the enterprise applies for a refund. • The status of tax risks and invoices of these suppliers on the tax authority's cradle system at the time the Delegation conducts the inspection cannot be a basis for rejecting the legality of the transactions that the Company has previously made with suppliers. • The refusal of the Tax Department to refund taxes to the Company lacks legal grounds, causing difficulties for businesses both financially and psychologically, and negatively impacting	

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			the investment environment in Vietnam in general. Vina Kyoei has submitted a Complaint against the aforementioned Notice of Refusal of Refund on 03/12/2024. On 23/01/2025, we received Decision No. 05/QD-CTBRV of the Director of the Tax Department of BRVT Province issued on 02/01/2025 not to recognize the first complaint of Vina Kyoei and uphold the conclusion that the Company's dossier is not eligible for tax refund according to Notice No. 36602/TB-CTBRV-KDT. Vina Kyoei found that the Company's tax refund dossier was not handled satisfactorily, lacked grounds and lacked transparency. Therefore, we have continued to submit the complaint dossier for the second time to the General Department of Taxation (now the Department of Taxation) for consideration.	
8	Tax	Law on Real Estate Business No. 66/2014/QH13 (Clause 1, Article 11) Circular 219/2013/TT-BTC (Clause 10, Article 7, Article 11; Clause 4, Article 5)	VAT refund In December 2014, the Company signed a contract for the transfer of land use rights associated with infrastructure with HimlamBC Investment Joint Stock Company (the transferor) to implement the investment project to build buildings and apartments for rent. For the above	We understand that regardless of whether the tax authority concludes that the transfer transaction between HimlamBC Investment Joint Stock Company and Haseko LHT Co., Ltd. is a project transfer or a transfer of land use rights associated with infrastructure, based on the guidance of the Tax Department, this

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			transaction, the transferor has issued 03 VAT invoices to the Company, including the invoice dated 15/6/2016, the invoice value is 81 billion VND, the VAT amount is 8.1 billion VND. As with the other 2 invoices, for this invoice, the transferor has declared and paid output VAT and the Company has also declared and deducted the corresponding input VAT. The transferor has also been inspected and examined by the Tax Department of Hanoi City (now Hanoi Tax) for the period of the transaction and has no opinion on the issuance of invoices and tax declaration of the unit. However, in 2017, when the Hanoi Tax Department conducted a pre-tax refund inspection according to the Company's Tax Refund Request from the first quarter of 2016 to the fourth quarter of 2016, the inspection team of the Hanoi Tax Department said that this transaction was a project transfer, so it was not required to declare. calculated and paid VAT, so they did not agree to allow the Company (the transferee) to declare VAT deduction and refund for VAT invoices dated 15/6/2016. Thus, the same transfer transaction but the inspection conclusions and tax examination minutes of the Hanoi Tax Department for the transferee and the transferor are having different	transaction is subject to 10% VAT. Therefore, the Company proposes the Ministry of Finance and the Tax Department to soon direct the Hanoi City Tax Department to completely solve the Company's problems, approve us to deduct and refund input VAT on VAT invoices that HimlamBC Investment Joint Stock Company has issued and declared, pay 10% output VAT to the tax authority.

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			handling views in determining VAT, leading to our problem from 2017 to now (it has been 8 years) but still backlogged. have not yet been settled for VAT refund. The company has also sent a document to the General Department of Taxation, now the Department of Taxation and the Department of Taxation has also recently issued Official Letter No. 434/CT-CS dated 02/4/2025 to the Sub-Department of Taxation of Region I (now Hanoi Tax) to review the results of inspection and examination to handle in accordance with regulations. report the handling results to the Department of Taxation before April 10, 2025. At the same time, we have also sent a document No. 03/2025/CV dated 09/4/2025 to the Sub-Department of Taxation of Region I to explain, provide more information and make recommendations to the Sub-Department of Taxation of Region I. However, so far we have not received any further guidance or feedback from the tax authorities on solving our problem. In addition, according to our observation, the handling of VAT by the inspection team in 2017 of the Hanoi Tax Department for our transfer transaction is also not in accordance with the guidance of the General Department of Taxation (now the Department of Taxation) for similar	

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			cases such as: Official Letter 269/TCT-CS dated January 17, 2025 replying to the Tax Department of Thanh Hoa province; Official Letter 416/TCT-CS dated 23/01/2025 replied to the Tax Department of Binh Duong Province. In these Official Letters, the General Department of Taxation guides that the Contract for the Transfer of Real Estate Projects is a real estate business activity under the Law on Real Estate Business, so it is subject to VAT	
9	Tax	Articles 14 and 15 of Circular 219/2013/TT-BTC Clause 9, Article 3, Decree 123/2020/ND-CP Official Letter No. 4532/TCT-TTKT dated 26/10/2020	VAT refund Itochu Vietnam Co., Ltd. is a 100% Japanese-invested enterprise, operating in the field of trading. In the past time, the Company has been inspected by the Tax Sub-Department of Region 2 (now Ho Chi Minh City Tax) for the application for VAT refund for the Company's export activities (the refund application period is from 10/2020 – 04/2022) and has been approved by the Ho Chi Minh City Tax. Ho Chi Minh City to refund taxes to the Company. However, based on the Record of Tax Refund Inspection, Ho Chi Minh City Tax Department has an opinion not to allow the company to be refunded tax for 02 contents: (i) Input VAT related to invoices for the purchase of goods and services from suppliers that do not operate at the registered address (invoice date	I would like to request the Ministry of Finance and the Department of Taxation to consider the problems of enterprises, guide and direct Ho Chi Minh City Tax. Ho Chi Minh City thoroughly considers the Company's explanation contents and attached documents and documents to continue to solve and accept tax refunds for 02 issues that the Company has stated.

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			before the date on which the enterprise issues a notice of cancellation of business address) (ii) Input VAT related to invoices of CBT Steel Co., Ltd. ("CBT Steel"), which is an enterprise with signs of invoice risk according to Official Letter 4532/TCT-TTKT dated 26/10/2020 ("Official Letter 4532") that needs to be checked and verified, temporarily not considered for refund For the above 02 contents, in our opinion, the Ho Chi Minh City Tax. Ho Chi Minh City does not allow the Company to receive tax refund is groundless, based on the following reasons: - For content (i): At the time of the purchase of goods and services of suppliers, these suppliers are operating normally; The company has kept and provided sufficient records and documents to prove the purchase and sale of goods and services with these suppliers to the inspection team; Up to now, there has not been any conclusion from the police or other authorities that the invoices of these businesses are illegal. Therefore, the Company's deduction and request for refund of input VAT amounts for these invoices are completely in accordance with current laws.	

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			- For content (ii): The list of enterprises with signs of risks in the management and use of invoices issued together with Official Letter 4532 of the General Department of Taxation (now the Department of Taxation) is given based on a number of risk criteria; on that basis, the Department of Taxation proposes the Ho Chi Minh City Tax. Ho Chi Minh City inspects and verifies invoices of these businesses to handle if there are signs of violation. Thus, the fact that CBT Steel's supplier is only on the list attached to Official Letter 4532 of the General Department of Taxation, there is no final verification result of the tax authority/competent authority on whether these invoices are illegal invoices or not, there is no basis for the inspection team not to accept deduction. tax refund to Itochu. Regarding this supplier, we have also actively coordinated with the inspection team, proactively contacting CBT Steel's supplier to verify the invoices issued by CBT to our company during the tax refund period. Accordingly, the company has explained and committed to the authenticity of the goods purchase and sale transaction with CBT Steel, and at the same time provided full documents and sales documents with suppliers (including secondary suppliers and direct suppliers of CBT Steel) and the Company's customers including: Goods purchase and sale	

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			contracts, VAT invoices, payment documents, records of delivery and receipt of goods, transport documents, weighing bills, warehousing bills,... At the same time, CBT Steel's supplier also commits and affirms that it has declared output VAT on invoices issued to Itochu. Thus, we find that there are sufficient grounds for the Company to deduct and refund taxes on CBT Steel's input invoices	
10	Tax		Delay in VAT refund in domestic imports and exports. Many Korean businesses have not received tax refunds for many years, greatly affecting cash flow and investment plans.	Therefore, we would like to make some recommendations as follows: 1. Request for permission for retrospective tax refund for amounts for which enterprises have submitted valid dossiers in the past but have not yet been refunded. 2. It is proposed to set up a dedicated focal point or apply the "fast-track" mechanism so that the tax refund process is more transparent and faster. 3. To propose to consider the mechanism for reimbursement of part of financial expenses or loan interest incurred by enterprises due to the delay in tax refund. 4. In addition to expanding the

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				application of the principle of "refund first, check later", it is proposed to establish a mechanism for regularly notifying enterprises of the progress of dossier processing.
11	Tax	Clauses 1, b, 2a, Article 9 of the Circular No. 219/2013/TT-BTC dated December 31, 2013 of the Ministry of Finance on value-added tax stipulates: Article 9. 0% tax rate 1) b) ... In case of provision of services in which the provision of services takes place both in Vietnam and outside Vietnam but the service contracts are signed between two taxpayers in Vietnam or have permanent establishments in Vietnam, the tax rate of 0% shall only apply to the value of services performed outside Vietnam. except for the case of providing insurance services for imported goods, the tax rate of 0% on the entire contract value is applied.	Handling of VAT on transactions between two Vietnamese enterprises (1) buying and selling goods with delivery and receiving points outside Vietnam and (2) provision of services taking place abroad According to the above-mentioned regulations, before July 2025, goods and services provided in the following two cases are still subject to 0% VAT: • The service is provided between two Vietnamese enterprises but the provision takes place outside of Vietnam; and • Goods are traded between two Vietnamese enterprises but have a point of delivery and receipt of goods outside Vietnam and meet a number of prescribed conditions. However, according to the provisions of the new VAT Law effective from July 1, 2025 and the guiding Decrees and Circulars, there are no longer the same guidelines as above, whereby it is understood that similar goods and services sales activities are no longer entitled to the VAT rate of	In order to be consistent with the nature of VAT and encourage business activities to develop diversified and rich, in line with the development of global trade, we propose the Ministry of Finance and the Department of Taxation to study and amend and supplement current VAT regulations in the direction of continuing to apply the tax rate of 0% for goods. The service is provided in the two circumstances stated.

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
		In case the contract does not separately determine the value of services performed in Vietnam, the taxable price shall be determined according to the ratio (%) of expenses incurred in Vietnam to the total cost. Business establishments providing services that are taxpayers in Vietnam must have documents proving that services are performed outside Vietnam. Example 45: Company B signs a contract with Company C to provide consultancy, survey and design services for an investment project in Cambodia of Company C (Company B and Company C are Vietnamese enterprises). If the contract involves services performed in Vietnam and services performed in Cambodia, the value of the services performed in Cambodia shall be subject to the VAT rate of 0%; for the	0%. which will have to apply the rates of 5%, 10% or 8% as prescribed at the time of the transaction. We find that the provisions of Circular 219 mentioned above are very reasonable and appropriate because the above-mentioned goods and services are also provided/consumed outside Vietnam, so even if the transaction is made between two Vietnamese enterprises, it needs to be treated with VAT similar to the transaction whereby the Vietnamese enterprise sells goods. services for foreign enterprises. The nature of VAT on goods and services provided should be based on the nature of related goods and services to determine the applicable tax rate, regardless of whether the buyer is a Vietnamese or foreign party.	

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
		turnover from services performed in Vietnam, Company B must declare and calculate VAT as prescribed. Example 46: Company D provides consultancy, survey, and feasibility report preparation services for an investment project in Laos for Company X. The contract value received by Company D is VND 5 billion, including VAT for the services performed in Vietnam. The contract between the 2 enterprises does not determine the revenue realized in Vietnam and the revenue realized in Laos. Company D calculated that the implementation costs in Laos (survey and exploration costs) were 1.5 billion VND and the implementation costs in Vietnam (synthesis and reporting) were 2.5 billion VND. Turnover from services performed in Vietnam inclusive of VAT is determined as follows:		

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
		$5B \times [2,5B/(2.5B + 1.5B)] = 3,125B$ In case Company D has documents proving that the Company sends officials to Laos to conduct surveys and exploration and has papers proving that the Company purchases a number of goods for surveys and exploration in Laos, the turnover for the services performed in Laos shall be subject to the tax rate of 0% and determined by VND 1,875 billion ($5 - 3,125 = 1,875$ billion VND dong). ... 2. Conditions for application of the 0% tax rate: ... Particularly for the case of goods sold but the point of delivery or receipt of goods is outside Vietnam, the business establishment (the seller) must have documents proving the delivery and receipt of goods outside Vietnam such as: goods		

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
		purchase contract signed with the overseas goods seller; goods sale contract signed with the buyer; documents proving that goods are delivered or received outside Vietnam such as: commercial invoices according to international practices, bills of lading, packing notes, certificates of origin, etc.; via-bank payment vouchers include: via-bank vouchers of business establishments making payments to overseas goods sellers; via-bank payment vouchers of the goods buyer for payment to the business establishment. Example 48: Company A and Company B (being Vietnamese enterprises) sign a lubricant purchase and sale contract. Company A buys lubricants from companies in Singapore, then sells them to Company B at the port of Singapore. In case Company A has: Lubricant purchase contracts signed with companies in Singapore, sales		

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
		contracts between Company A and Company B; documents proving that the goods have been delivered to Company B at the Singapore seaport, documents of payment of money via banks transferred by Company A to companies selling lubricants in Singapore, documents of payment of money through banks paid by Company B to Company A, the turnover received by Company A from the sale of lubricants to Company B shall be applied the VAT rate of 0%.		
13	Tax	Circular 86/2024/TT-BTC regulating tax registration Point 2, Article 38 stipulates <i>"Article 38. Enforcement effect</i> <i>2. Tax identification numbers issued by tax authorities to individuals, households and business households shall be implemented until the end of June 30, 2025. From July 1, 2025, taxpayers, tax administration agencies, other</i>	The use of identification numbers instead of personal ID numbers as prescribed in Circular No. 86/2024/TT-BTC Recently, the Department of Taxation has upgraded the Declaration Support application (HTKK) to meet the use of identification numbers instead of personal tax registration in accordance with the provisions of Circular No. 86/2024/TT-BTC dated December 23, 2024 of the Ministry of Finance regulating tax registration. Accordingly, income-paying organizations are required to use identification numbers instead of	It is recommended that the Ministry of Finance and the Department of Taxation study and upgrade the HTKK application, the requirement to enter a mandatory personal identification number only applies to the tax declaration period from 7/2025 and PIT finalization in 2025 onwards. For tax finalization returns of years from 2024 onwards, the HTKK application allows income-paying organizations to declare tax finalization returns previously issued by tax authorities so that income-paying organizations can submit additional tax

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
		<i>agencies, organizations and individuals related to the use of tax identification numbers as prescribed in Article 35 of the Law on Tax Administration shall use personal identification numbers instead of tax identification numbers."</i>	personal ID numbers to declare for employees and dependents. However, the system is defaulting to using identifiers for returns of the previous year. In fact, many income-paying organizations need to submit additional returns for tax finalization periods of previous years, and the HTKK application also requires the entry of identification numbers for individuals and dependents of previous years. This is not feasible in practice because there are many employees who have quit their jobs, so the income-paying organization cannot contact to collect personal identification numbers for that employee and the employee's dependents to declare.	finalization returns.
14	Land rent	Land rent arrears	Land rent arrears Nidec Group has signed the Investment Framework Contract since 2005, which clearly stipulates investment incentives for projects directly invested by the Group and its subsidiaries, including the contents of land rent exemption and <i>land rent for high-tech production projects of 0.2 USD/m²/year</i>. On the basis of the contents of the Investment Framework Contract, on 03/07/2012, the Industrial Park Management Board signed a land lease contract with the enterprise at the land rental price agreed in the	We propose that the Government consider directing the People's Committee of Ho Chi Minh City, the Management Board of the Industrial Park and the authorities to pay attention, prioritize considering and solving this problem, cancel the proposal to collect land rent arrears so that businesses can soon implement the next investment plan.

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
			framework contract and the enterprise has fulfilled its financial obligations and been granted a land use right certificate. In 2019, the Group underwent an internal restructuring whereby the business was merged into another business that is also another subsidiary of the Group in the same high-tech park in Vietnam. On the basis of the merger contract, the land has been transferred to the merging company to inherit all rights and obligations. Up to now, the enterprise that is the merging company has encountered problems in updating information about land users in the Land Lease Contract and Land Use Right Certificate with the Industrial Park Management Board. The Management Board said that these procedures could not be carried out due to problems with the State Audit's proposal to collect land rent arrears of more than 16 billion VND since 2018. The reason given by the State Audit is that the Management Board of the Industrial Park has signed a land lease contract with Nidec Seimitsu with a lower land rental price than specified in Decision No. 5754/QD-UBND dated 28/12/2007 of the People's Committee of Ho Chi Minh City. On August 5, 2024, the Management Board sent Official Letter No. 1087/KNCN-XTDT to the	

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
			enterprise, the Management Board informed the enterprise about the recommendation of the State Audit of Region IV in Official Letter No. 323/KV IV-TH dated July 23, 2024, and requested the company to pay an additional land rent of VND 16,643,554,372 as mentioned above. The fact that after 12 years from the time of signing the Land Lease Contract, the Government of Vietnam requires enterprises to pay additional land rents as mentioned above is completely unfounded and is seriously violating the contents agreed in the Land Lease Contract as well as the commitments that the Government of Vietnam has expressed in the Framework Contract.	
15	Land lease term		The issue of expiration of land lease term in industrial parks Many Korean businesses are about to expire their land lease contracts, but there is no renewal mechanism, leading to the risk of having to stop operations. This causes heavy damage to businesses and affects the reputation of Vietnam's investment environment. This not only causes serious damage to businesses, but can also negatively affect the reputation of the investment environment in Vietnam.	Therefore, we would like to make 03 recommendations as follows: 1. Expired enterprises are allocated alternative land in the same industrial park or neighboring area. 2. Institutionalize the contract extension mechanism for enterprises that meet certain conditions in the investment process. 3. Priority is given to extensions and incentives for businesses that have contributed since the opening period

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
				in the 1990s.
16	Invoice for loans and reimburse ment	Problems related to the issuance of loaned and reimbursed invoices according to Clause 1, Article 4, Decree 123/2020/ND-CP dated 19/10/2020 supplemented by Point b, Clause 3, Article 1 of Decree 70/2025/ND-CP dated 20/03/2025	(i) Regulations on invoices and VAT before 01/06/2025 + Circular 39/2014/TT-BTC and Circular 219/2013/TT-BTC guid: Loaned goods must be invoiced but do not stipulate taxable prices + Circular No. 119/2014/TT/BTC and Circular No. 26/2015/TT-BTC amending Circular No. 39/2014/TT-BTC and Circular No. 219/2013/TT-BTC as follows: ➤ Loaned goods <u>do not need to be invoiced</u> ➤ VAT calculation price: <u>not subject to VAT calculation</u> + Decree 123/2020/ND-CP and Circular 119/2014/TT-BTC stipulate: ➤ Loaned goods <u>must be invoiced</u> ➤ VAT calculation price: <u>Not subject to VAT calculation and payment</u> ⇒ Practical application in 2 cases: - Non-EPE for EPE Loans: Invoice the "non-taxable" rate - Non-EPE lending to Non-EPE: Invoice the "non-declaration and payment" tax rate	Supplementing the taxable prices for loaned goods not subject to VAT calculation. If it is required to declare, it is proposed <u>to amend the declaration form No. 01/GTGT to declare a separate item of loaned goods</u> so as not to affect the calculation of the refundable VAT amount in the period of the enterprise subject to VAT refund and ensure that the nature of the transaction is properly reflected

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
			(ii) Regulations on invoices and VAT from 01/06/2025 + Decree 70/2025/ND-CP stipulates that invoices must be made for the export of goods in the form of lending or returning goods. <u>Invoices must contain all contents as prescribed in Article 10 of this Decree.</u> <u>Nevertheless:</u> + Decree 181/2025/ND-CP guiding the VAT Law: does not stipulate taxable prices for lending transactions ⇒ Problems in practice: • According to the tax law on invoices, enterprises must issue invoices when exporting loaned goods, but the current legal corridor does not guide the taxable prices and tax rates for loaned goods, making businesses confused in complying with the issuance of invoices? At what price? What is the tax rate? Through some discussions with tax officials, they were instructed to issue invoices and calculate and pay tax on borrowed goods. However, if VAT is calculated and paid for the export and loan transaction, it is not suitable for the nature of the transaction.	

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
			Reason: The Civil Code No. 91/2015/QH13 has very specific provisions on property lending contracts, whereby the lender hands over the property to the borrower for use for a certain period of time <u>without</u> paying, <u>the borrower must return the property</u> when the borrowing term expires or the borrowing purpose has been achieved. Thus, the lending transaction under specialized laws has been recognized as not incurring the obligation to pay money of the borrower. In terms of the nature of the transaction, if the lending transaction is in accordance with the nature of the loan in order to serve the production and business activities of the lender, creating economic benefits for the lender of the property (excluding cases in the form of lending but the essence of the sale, lease) should be considered as not incurring tax obligations, <u>whereby VAT is not subject to VAT calculation.</u> • VAT declaration: current regulations do not provide guidance on the declaration of invoices when exporting loaned goods in which item on the declaration form 01/GTGT. Currently, the declared targets are "Goods and services sold in the period". Therefore, enterprises have	

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
			problems in declaring invoices and will it affect the calculation of the VAT amount refunded in the period of enterprises subject to VAT refund? The request for invoicing is for the purpose of managing inbound/outbound goods transactions of enterprises not for the purpose of collecting intangible taxes in general, creating a burden for enterprises in complying with invoicing, problems related to VAT declaration and refund of enterprises.	
17	Freight forwarder		Difficulties in the process of freight forwarding for export purposes. Some manufacturing enterprises (including automobile manufacturing) manufacture products exclusively for export, so they cannot apply for a certificate of quality (CQ) in Vietnam. Therefore, businesses cannot issue temporary number plates to transport to the port, delaying the entire export schedule. Such procedural restrictions are not merely administrative issues, but also directly affect the reputation of enterprises in international transactions.	Therefore, we propose to apply an exception mechanism to issue temporary number plates for exported goods, and at the same time establish a central rapid coordination mechanism to avoid prolongation due to single handling.
18	Manpower		The problem of shortage of human resources Businesses face difficulties in both technical and skilled workers. Recently, some foreign	Therefore, we respectfully request the Government of Vietnam as follows: 1. Strengthen cooperation in vocational training and improve local labor

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
			enterprises have paid high salaries and bonuses to "entice" workers, making trained personnel unstable, making it difficult for production activities and new investment plans. This not only causes disruptions in production but also becomes a major barrier to the expansion of new investment.	skills. 2. Adjust quotas and relax regulations on the use of foreign workers according to the needs of the industry. 3. There is a support mechanism for enterprises to retain trained human resources, limiting the situation of "labor bleeding".
19	Logistics			Currently, aviation logistics is playing an increasingly strategic role in improving national competitiveness and promoting the development of the digital economy. In the context that the Government of Vietnam is promoting the policy of developing synchronous and modern transport infrastructure and encouraging the public-private cooperation model, access to new, efficient and flexible airport models and aviation logic is a key factor. In fact, there have been a number of reputable and experienced investors in the field of logistics who have been licensed to operate in the form of an extended airport. Some investors are looking forward to implementing a model of direct connection from the port extending directly to the apron and boarding. This is a new and potential approach, which needs to be supported by

No.	Issues/ Areas	Regulatory Reference References	Issue	Recommendations
				breakthrough policies, creating clear legal conditions for realization. Therefore, VBF recommends that the Government should consider this issue to have an appropriate policy orientation.
20	Tax exemption for consumer goods used within export processing enterprises.	According to the provisions of Circular 38/2015/TT-BTC and Circular 39/2018/TT-BTC, and Decree 181/2025/ND-CP	According to the provisions of Circular 38/2015/TT-BTC and Circular 39/2018/TT-BTC, Goods being building materials, stationery, foodstuffs, foodstuffs, and consumer goods purchased from the inland for the construction of works, serving the operation of the office apparatus and daily life of employees working at the EPE are entitled to choose whether or not to carry out customs procedures. When carrying out customs procedures, these goods are still exempt from tax for EPEs. However, Decree 181/2025/ND-CP stipulates that only goods used in non-tariff zones directly serving export production activities are subject to the 0% tax rate. Because there is no specific definition of what is directly serving export production activities, can goods in the above group continue to enjoy double tax incentives with export processing enterprises? In fact, many suppliers are requesting a written commitment to directly serve export production activities when issuing invoices for the above items.	It is necessary to have official written guidance on the definition of directly serving export production activities of export processing enterprises. It is proposed that all consumer goods in export processing enterprises are considered to directly serve export production activities.



POSITION PAPER OF AUSTRALIAN CHAMBER OF COMMERCE VIETNAM

EXECUTIVE SUMMARY

AusCham congratulates the Government of Vietnam on its decisive administrative reforms in 2025, including:

- The **restructuring of ministries and agencies** at the central level;
- The **consolidation of provincial-level units from 63 to 34** and the abolition of district-level administrations, creating a two-tier model of **province and commune**, effective **1 July 2025**;

These reforms reflect Vietnam's determination to modernize state structures, improve efficiency, and support digital transformation.

Australia and Vietnam's bilateral trade exceeded **A\$28 billion in 2023–24**, reflecting momentum under the **Australia's Southeast Asia Economic Strategy to 2040** and the **Enhanced Economic Engagement Strategy (EEES)**.

AusCham members, representing diverse sectors, respectfully propose targeted reforms in the following priority areas:

- Administrative Reform & E-Government
- Energy Transition & Bankability
- Power Stability for Industry
- Talent Mobility
- Digital Economy & Data Flows
- Healthcare & Education
- Dispute Resolution & Investor Confidence

I. ADMINISTRATIVE REFORM & E-GOVERNMENT

Vietnam's landmark 2025 administrative restructuring represents a bold step toward modernizing governance and improving state efficiency. Key reforms include:

- **Resolution 60-NQ/TW** (April 2025): Establishing the framework for reducing the number of provinces.
- **Resolution 202/2025/QH15** (June 2025): Consolidating provinces and abolishing district-level administrations, creating a two-tier model of provincial and commune-level governance.
- **Resolution 203/2025/QH15** (June 2025): Amending the Constitution to reflect these structural changes.

AusCham welcomes these measures as they create opportunities to streamline procedures, strengthen e-government systems, and improve consistency across Vietnam. Nevertheless, businesses continue to face challenges that hinder efficiency and increase costs.

Issue	Recommendations
Licensing and approvals face delays and inconsistent requirements despite clear provisions under the <i>Law on Investment 2020</i> and <i>Law on Enterprises 2020</i> .	• Enforce statutory timelines across MOF, MOIT, DOIT, and customs. • Publish and enforce standardized application checklists based strictly on laws and decrees, ensuring nationwide consistency.
Some customs and licensing procedures (e.g. import licenses for chemicals, and food-related products such as whey with milk content) have faced delays due to the recent restructuring of ministries and provincial agencies, leading to uncertainty over the competent authority.	• Publish updated guidance clarifying which ministry or provincial department is responsible for licensing sensitive imports following the restructuring. • Establish interim single contact points at the provincial level to handle applications during the transition period. • Update electronic submission systems and official websites promptly to reflect new agency structures, reducing the need for dossier resubmission.
E-government systems remain fragmented, and many agencies still require physical submissions, limiting the efficiency of digital government initiatives.	• Expand and integrate online portals to enable multi-ministry submissions and tracking. • Expand acceptance of bilingual (Vietnamese/English) online submissions across platforms to improve accessibility for foreign investors.
Provincial implementation varies under the new two-tier governance model (Res. 202/2025/QH15 and Res. 203/2025/QH15).	• Provide training and capacity-building for provincial officials to ensure consistent interpretation and application of laws.

II. POWER STABILITY FOR INDUSTRY

Issue	Recommendations
Recent power outages undermine investor confidence.	• Publish advance outage notices and grid management plans.
Industrial zones face energy shortages and limited renewable uptake.	• Incentivize rooftop/captive solar projects in industrial zones.
LNG-to-power projects face slow approvals.	• Fast-track approval processes for credible LNG projects to provide baseload stability.

III. TALENT MOBILITY

Vietnam has taken an important step forward with the issuance of Decree 219/2025/ND-CP (effective 7 August 2025), which replaces Decrees 152/2020 and 70/2023. This decree simplifies and modernizes regulations on foreign labour management, including digitalisation of applications, decentralisation to provincial authorities, reduced experience requirements, and expanded categories of exemptions. These reforms are welcomed by the foreign business community and align with Vietnam's broader administrative restructuring.

However, AusCham members note that **inconsistent implementation across provinces** and certain regulatory gaps still pose challenges for investors and expatriates.

Issue	Recommendations
Foreigners who do not hold a Temporary Residence Card (TRC) cannot complete VNeID Level-2 registration . This limits their ability to access public services and administrative procedures that are increasingly linked to the VNeID platform.	• Expand eligibility for VNeID Level-2 registration to include foreigners with long-term visas, work permits, or investment certificates, not only TRC holders. • Allow businesses to assist employees with group registration, reducing administrative burden.
Implementation of Decree 219 may vary across provinces, creating uncertainty for businesses during the transition period.	• MOLISA and the Ministry of Public Security should issue joint bilingual (Vietnamese/English) guidance explaining key provisions of Decree 219, including revised eligibility criteria, exemption categories, and notification procedures. • Conduct training workshops for provincial DOLISA and Immigration officials to ensure consistent nationwide application.

IV. EDUCATION

Issue	Recommendations
Private preschools under 150 children face restrictive network-planning requirements under the <i>Law on Education 2019</i> .	• Exempt small-scale preschools from the requirement. • Encourage private sector participation in early childhood education.

CONCLUSION

AusCham commends the Government for its decisive 2025 administrative restructuring (Resolutions 60-NQ/TW, 202/2025/QH15, 203/2025/QH15) and ongoing reform efforts. By complementing these structural changes with targeted measures in energy, digital transformation, talent mobility, healthcare, education, and dispute resolution, Vietnam can further enhance its investment environment and realize its vision for sustainable, innovation-driven growth.

AusCham and its members stand ready to work with the Government and relevant ministries to translate these recommendations into practical outcomes.

POSITION PAPER OF EDUCATION & TRAINING WORKING GROUP

Introduction

We believe that education and training will play an important role in achieving quality growth. This can be achieved through strong collaboration of the relevant government agencies, chambers of commerce, higher education institutions, and industry in general.

In this paper we have reviewed the current situation, in the education and training environment in Vietnam, and addresses a number of specific sectors and issues. These include:

- 1. Decree No. 219/2025/ND-CP**
- 2. K - 12 education**
- 3. TVET**
- 4. Higher Education - Skills Gap**
- 5. English as a Second Language (ESL)**
- 6. The Digitization of Learning (Education 4.0)**

All sectors of the education system need to review their strategies to deliver effective education in light of the current and future environment. This is critical to the development of the Vietnamese economy both now and in the future. We would like to reiterate that Government agencies (both local and foreign), educational institutions, and industry need to collaborate to take advantage of current opportunities and mitigate or remove risks.

1. Decree No. 219/2025/ND-CP on foreign workers in Vietnam

We would like to express our gratitude to the Vietnamese Government for the promulgation of Decree No. 219/2025/ND-CP which took effect on August 7, 2025. This Decree offers foreign teachers significant procedural simplifications, faster permit issuance, reduced administrative burdens, and greater flexibility compared to prior regulations, enhancing the overall ease and legality of working in Vietnam as a foreign teacher.

Decree No. 219/2025/ND-CP brings several advantages for foreign teachers working in Vietnam including:

- Lower Qualification and Experience Barriers.
- Digital and One-Stop Administrative Procedures.
- Longer and Flexible Permit Validity.
- Clear Labor Categorization.
- Decentralized Authority.

In summary, Decree 219/2025/ND-CP offers foreign teachers significant procedural simplifications, faster permit issuance, reduced administrative burdens, and greater flexibility compared to prior regulations, enhancing the overall ease and legality of working in Vietnam as a foreign teacher.

2. K - 12 education

VBF Education and Training WG would like to emphasize that to maintain high-quality and sustainable K - 12 education in Vietnam, it is essential to attract and retain foreign professionals holding internationally recognized qualifications. In addition, the Vietnam Child Wellbeing and Safeguarding Summit brought together a wide range of attendees to advance child wellbeing in Vietnam to promote best practices for child protection and wellbeing. It aims to increase collaboration among educational institutions, service providers, NGOs, industry, government agencies, and embassies in Vietnam.

We continue to advocate for promoting diversity in technical fields within K-12 education to address gender imbalances in key industries. It also recommends implementing gender-inclusive policies to create unbiased learning environments. Additionally, we want to highlight the importance of extracurricular technology programs to spark girls' interest in technology. Enhancing access to resources through scholarships and learning opportunities is vital to encouraging girls to pursue technical education. Lastly, continued collaboration with technology companies can offer mentorship and practical experience, which are key to building a diverse future technology workforce.

3. TVET (Technical and Vocational Education and Training)

Vocational skills training and boosting employment is at the heart of the Vietnamese Government development goals and we believe that the following are the main areas that need to be addressed:

- Meeting industry needs through dynamic curriculum development;
- Improving recruitment processes through better program offerings and marketing;
- Building the capacity of teachers, managers, and leaders;
- TVET institutional practices; and
- Effectively implementing the National Qualifications Framework (NQF).

It is important that we continue to work on these areas and find solutions to help improve the TVET system. Several overseas countries are supporting TVET in Vietnam through their development agencies and cooperation programs. These include but are not limited to:

- Australia
- Germany through GIZ (German development agency)
- Japan through JICA (Japan International Cooperation Agency)
- South Korea through KOICA (Korea International Cooperation Agency)
- The United Kingdom (UK)

Therefore, we look forward to continued progress in this matter and would like to take this opportunity to thank MoET in advance for their cooperation.

4. Higher Education - Skills Gap

Vietnam is facing a significant higher education skills gap, characterized by a mismatch between university graduates' skills and the labor market demands. Despite the country's booming economy and increasing investment in high-tech sectors, many Vietnamese universities still emphasize theoretical knowledge over practical, application-based skills.

Employers often find graduates insufficiently prepared for real-world job challenges, lacking critical soft skills such as problem-solving, creativity, resilience, and the ability to connect daily tasks to broader company goals. There is also concern about the limited involvement of private

sector partners in shaping university curricula, leading to training that doesn't align well with labor market needs. Many companies express frustration over graduates having high turnover rates and lacking long-term professional vision and workplace stress management.

To address these issues, university leadership and political authorities in Vietnam recognize the need to reform internal university management and education methods to better prepare students for employment. This includes strengthening cooperation with the private sector and increasing practical training components to narrow the skills gap between education and market demands. In summary, Vietnam's higher education system faces challenges in adapting to the needs of a modern, technology-driven economy, and efforts are underway to enhance employability by improving the relevance, practical skills, and soft skills of graduates.

5. English as a Second Language (ESL)

The Ministry of Education and Training (MoET) aims to make English the second language in schools for all students by 2035, with full implementation by 2045. This national project will integrate English as a subject, teaching tool for other subjects, and for daily communication.

A combination of qualified English teachers working in professionally run language centres is needed. This will allow Vietnamese students to benefit from sufficient numbers of qualified teachers to help prepare them for a global economy through language learning and cultural exposure.

6. The Digitisation of Learning (Education 4.0)

The digitisation of learning, commonly referred to as Education 4.0, in Vietnam marks a significant transformation in the education and training sector, leveraging digital technologies to improve teaching, learning, and access to educational resources. This transformation is driving education from traditional direct instruction toward more personalized, flexible, and technology-enhanced learning experiences.

MOET is developing a comprehensive AI strategy for education to improve management and teaching practices through AI. In 2025, Vietnam is advancing comprehensive education reforms aligned with the Education Development Strategy to 2030, aiming for a modern, globally competitive system.

Key initiatives include integrating digital technologies, artificial intelligence, and personalized learning into classrooms to create flexible and adaptive educational environments. Educational institutions are fostering networks in AI, semiconductors, biotechnology, and renewable energy to boost quality training and innovation.

Conclusion

Vietnam's education and training sectors are pivotal to fostering quality growth as outlined in this year's VBF Annual Forum theme "BUSINESS PARTNERING WITH THE GOVERNMENT FOR A GREEN TRANSITION IN THE DIGITAL ERA"

Key reforms include Decree No. 219/2025/ND-CP, which eases foreign teacher integration, advancing K-12 quality, and promoting gender diversity in technical fields. TVET improvements, supported by international partners, target skill gaps that hinder employment growth. Higher education reforms address the skills mismatch critical to Vietnam's evolving economy.

The ambitious goal to establish English as the second language by 2035 and the transformative Education 4.0 digital shift illustrate the nation's commitment to modernizing learning. Together, these efforts lay a solid foundation for a forward-looking, inclusive, and globally competitive education system, reinforcing Vietnam's pathway toward sustainable economic development and social progress by 2045.

The VBF's Education and Training Working Group, in partnership with the Ministry of Education and Training and the Chambers of Commerce, remains dedicated to supporting Vietnam in harnessing opportunities and addressing challenges. Our ongoing commitment focuses on fostering strong cooperation among government agencies, educational institutions, and industry stakeholders to drive meaningful reforms and sustainable growth in the education sector.

POSITION PAPER OF POWER & ENERGY WORKING GROUP

Financing Vietnam Energy Growth for Advance Technology and Innovation Industries

The Vietnam Business Forum (**VBF**) - Power and Energy Working Group (**PEWG**) would like to extend our sincere appreciation to the Vietnamese authorities at all levels for the strong cooperation and constructive consultations held throughout 2024 and 2025. Today, the Vietnamese and international power and energy sector has in place the necessary Energy Strategy, Electricity Laws, Power Development Plan VIII (**PDP8**), and supporting decrees and decisions to guide investment, implementation, and continued dialogue. These frameworks are designed to attract the hundreds of billions of dollars needed to cover the costs of Vietnam's growing energy demand.

However, advanced innovation and technology—particularly data centers, artificial intelligence (**AI**), and digital services—have the potential to significantly accelerate Vietnam's annual economic growth, as highlighted in the IMF's 2025 World Economic Outlook. These industries require abundant, reliable, and low-carbon electricity to thrive. Their rapid growth will place additional strain on Vietnam's power grid, raising critical implications for future energy security.

Increasing electricity demand from the technology sector can stimulate greater supply, but the impact on prices will depend on how quickly and effectively the system responds. If supply expands in line with demand, the resulting cost increases will remain modest. If supply responses lag, however, the consequences will be steeper electricity prices, affecting both businesses and households, and potentially curbing the growth of Vietnam's innovation industries themselves. The uncertainty of this net effect risks delaying investment decisions, underscoring the need for timely policy responses and cooperation between Government and businesses.

Global trends in data centers and AI illustrate the scale of the challenge. In many markets, firms seeking new facilities are told that adequate power will not be available for up to five years, including two years in equipment lead times. Such delays are increasingly common at a time when innovation-driven industries are growing at unprecedented rates. The requirements of these industries—including liquid-cooled processors, ever-expanding cloud storage, and stringent resiliency and sustainability standards—are placing severe pressure on power grids worldwide. Vietnam must act decisively to avoid similar constraints.

PDP8 foresees nuclear power as an important element of Vietnam's long-term energy mix, alongside natural gas, renewable energy, and battery storage. Each of these will play a role in meeting surging electricity needs. Notably, several VBF member companies seeking low-carbon, round-the-clock energy have already signed contracts for new nuclear capacity worldwide, with more such transactions expected in the coming years. This global momentum reflects the projection that electricity usage from innovation technologies is set to more than double by 2030.

VBF companies bring substantial expertise in financing and in developing supply-side solutions for innovative energy investments. Many are already engaged in close cooperation with EVN and its subsidiaries to help meet Vietnam's needs. Equally important is continued dialogue to strengthen Vietnam's energy strategy and regulatory frameworks. International experience demonstrates how high-consumption industries in the U.S., Europe, Japan, and Korea are increasingly securing their own power generation sources in partnership with governments and utilities. Vietnam can draw valuable lessons from these models.

Over the past years, PEWG has actively advanced Vietnam's energy transition agenda through a series of substantive activities and close cooperation with Government agencies, provincial authorities, and private sector stakeholders. These joint efforts have generated valuable insights that now underpin our recommendations.

During 2024–2025, the Working Group has been implementing the project “*Enhancing Bankability in Clean Energy Investment in Vietnam.*” One of the key outputs of this initiative is the Made in Vietnam Energy Plan (*MVEP*) 4.0 Report, which provides a comprehensive approach to Vietnam's energy transition. The report is structured around three strategic pillars, each elaborated through accompanying Policy Briefs that set out a practical framework for reform. These include: “*National Competitiveness in Attracting FDI in the Clean Energy Sector*” which positions Vietnam as a regional hub for clean energy investment; “*De-risking Solutions for Renewable Energy Projects*” which focuses on policy measures to reduce investment risks and strengthen project bankability; and “*Tendering Mechanism for Investor Selection for Renewable Energy Projects*”, which proposes practical steps to streamline project approval and improve transparency. The Annual Made in Vietnam Energy Dialogue (*MVED*) serves as the culminating event of this project and has become a flagship platform for public–private collaboration, offering a strategic occasion to present the MVEP 4.0 Report's findings to policymakers and market participants, while fostering long-term cooperation through in-depth discussions, multi-stakeholder engagement, and partnership-building activities.

In parallel, PEWG also placed strong emphasis on capacity building for local authorities, recognizing this as a critical enabler of Vietnam's energy transition. During this period, we convened a nationwide series of workshops across the North, Central, and South, including key provinces and industrial zones—designed to enhance the technical and regulatory understanding of provincial governments. These workshops focused on strengthening transparency and predictability in regulatory implementation, thereby creating a more supportive environment for high-quality foreign direct investment (*FDI*) in Vietnam's energy sector. The program addressed several priority areas, including decarbonization pathways to align with global climate goals and investor ESG requirements; regulatory compliance and implementation to reduce procedural uncertainties for businesses; and knowledge sharing on clean energy solutions to facilitate private sector participation. By equipping local stakeholders with practical tools and policy clarity, PEWG has supported the creation of a more investment-friendly environment that aligns with international best practices and the expectations of global investors.

Together, these initiatives highlight the constructive role of PEWG as a platform for multi-stakeholder dialogue. By fostering shared understanding and building consensus between the Government, the private sector, and international partners, these efforts contribute directly to Vietnam's energy transition and to the creation of a transparent, predictable, and investment-friendly environment for the power sector. With a constructive and solutions-oriented mindset, we have compiled and formally submitted to the relevant Government authorities a set of detailed recommendations aimed at accelerating the implementation of renewable energy projects and enhancing the effectiveness of the DPPA mechanism between renewable energy generators and large electricity consumers.

The theme of this year's VBF Annual Forum “*Enabling Quality Growth through Reform, Innovation, and Partnership*” is highly relevant to Vietnam's energy sector. Reform, in the form of regulatory improvements, is needed to unlock investment. Innovation, in both technology and market design, is required to integrate renewable and low-carbon energy into the system. We strongly believe that electricity is not merely a utility; it is the lifeblood of industry, the enabler of innovation, and the foundation of Vietnam's competitiveness. By acting decisively to strengthen policy frameworks, accelerate renewable deployment, and enable large-scale investments in offshore wind,

nuclear, and storage, Vietnam can ensure that its innovation industries, data centers, AI, and high-tech manufacturing, reach their full potential.

The Power and Energy Working Group stands ready to continue our dialogue and cooperation with the Government of Vietnam to achieve the financial investments in these shared objectives. Together, we can build a power system that secures Vietnam's vision of a prosperous, sustainable, and innovation-driven economy.

Thank you.

POSITION PAPER OF MINING WORKING GROUP

1. SUMMARY

Vietnam is rich in mineral resources, and particularly in critical metals such as rare earths, nickel, copper, cobalt and tungsten needed by (a) the country's renewable power and energy industry to help meet Vietnam's COP26-28 pledges on reduction of carbon dioxide emissions, and (b) the fast-growing semiconductor chip and digitization industries which Vietnam aims to be a leader in.

Unfortunately only a fraction of Vietnam's valuable metal assets have been discovered to date, due to the country never having been systematically explored using modern technologies and methods, such as airborne geophysics and deep penetration technologies to locate more deeply buried deposits.

Furthermore, Vietnam's existing near-surface mines that are operated by state-owned enterprises have not yet attracted any significant foreign direct investment (FDI), and with it world best practices to mine and process the minerals with the environmentally sustainable green technologies needed. This expertise and FDI are therefore needed to significantly improve efficiencies, safety and environmental sustainability, etc.

Apparent lack of coordination and communication among the various Vietnamese ministries and departments involved in exploration and mining - essentially the ministries MPI, MONRE (now Agriculture and Environment), MOIT, MOF and MOARD (Forestry) - both at central and provincial level, is currently frustrating Mining Working Group participants. Hopefully, bodies like the proposed National Council for Science, Technology and Innovation and its stated coordination role may help in this regard.

Shortcomings in the 2010 Vietnam Mineral Law included excessively high royalties, taxes and fees compared to other countries and were significant deterrents in developing an efficient mining industry in Vietnam. The new Minerals and Geology Law was ratified in November 2024 and came into effect on 1 July 2025, but it appears that numerous decrees relating to Articles of the new Law are still being finalised in detail. These decrees will need to clearly lay the practical groundwork for a more transparent, investor-friendly legal environment that aligns with international standards in mineral exploration and mining.

As a result, unlike many of Vietnam's ASEAN neighbours, none of the world's largest mining companies are presently operating in Vietnam. The Mining Working Group participants are relatively junior companies but, using world best technologies, are determined to persist and achieve good results in Vietnam.

2. MINING AND PROCESSING CRITICAL METALS WITHIN VIETNAM

The metals currently being sought or mined by the Mining Working Group participants are all essential in the production of electric vehicles and their batteries, wind turbines, solar panels and digital transformation. Having these metals sourced and available within Vietnam, instead of importing them, provides the country with the opportunity to develop downstream high-tech manufacturing industries and establish Vietnam as a dominant regional or even world hub for the manufacture of these products, now highly sought after for a carbon neutral future. This clearly is in line with the MPI Foreign Investment Agency's emphasis on capacity building of manufacturing and supporting industries in Vietnam and partnership with Vietnamese enterprises

where possible. It is also consistent with plans and ambitions recognized in the Power Development Master Plan 8 and Just Energy Transition Partnership (JETP) which foresee development of renewable energy hubs including manufacturing capacity to support Vietnam's energy transition goals and 2050 net zero target.

To emphasize this point, the Vietnam General Statistics Office reported that eight Vietnamese-produced commodities exceeded US\$10 billion in export value, totalling USD280 billion in 2024. Four of these eight commodities are dominantly metallic, being a) mobile phones and spare parts; b) electronics, computers and components; c) other machinery, equipment and spare parts; and d) vehicles and spare parts, making up USD194 billion.

The world minerals industry is having to mine more metals than it has ever done before to meet the demand for critical metals for a carbon neutral future. For example, in the case of copper, new discoveries have fallen by 80% since 2010, and the world's supply of copper is apparently dangerously low at present. It has been called the “metal of electrification”, as green growth will require more copper transmission wires to distribute power generated by renewable energy sources than ever before. For example, Australia is planning to spend AUD 20 billion on renewable power grid upgrades, and the UK National Grid has laid out plans for a GBP 54 billion upgrade to its energy network. Also, a number of countries have already banned export of copper concentrates and require all copper to be refined in-country. Similar demands exist for other critical metals, and it is essential that Vietnam discovers, mines, recycles and processes all its critical metals inside the country and not import them.

In so doing, and to meet the requirements of green growth, the mining, processing, refining and recycling of metals and minerals will require the conversion from using fossil fuels to introducing new state-of-the-art technologies to significantly reduce and ultimately eliminate carbon dioxide emissions - technologies such as green hydrogen, pressure oxidation, electrification of all mine vehicles and machinery, and use of renewable hydro-power and hydro metallurgy where available in mine operations and down-stream processing.

These state-of-the-art technologies are also designed to achieve the important objectives of using responsible and sustainable development practices to protect the landscape, environment and ecosystems, including forests where applicable, where mining is conducted.

3. INFRASTRUCTURE BENEFITS

Mining has long been recognized to be one of the most effective drivers of physical infrastructure improvement around the world. The areas where mineral deposits are found tend to be in the more mountainous, and therefore usually the poorest socio-economic and ethnic minority parts of a country, and this certainly applies to Vietnam. The other obvious benefit of responsible mining is the contribution it can make to help alleviate poverty in the remote areas in which it operates by creating strong employment opportunities and orders for local goods and services.

Modern sustainable mining in Vietnam would therefore clearly help meet the challenges of the Government's strategy for its Socio-Economic Development Goals (SDGs), and also two of the World Bank's stated key objectives of its Country Partnership Framework in Vietnam which are to (a) deliver infrastructure and (b) broaden the economic participation of ethnic minorities.

4. MINING INDUSTRY LONG TERM INVESTMENT AND RISK

The mining industry is atypical of traditional manufacturing and services industries, because it requires long-lead time and significant investment upfront on exploration and development before any project can become successful. Discovery of some types of major mineral resources in the Asia-Pacific region have taken an average of 18 years from commencement of exploration to discovery of an ore grade deposit. Therefore, in order to attract quality Direct Foreign Investment into mining, the Mining Working Group requests the Government to:

- a) Benchmark Vietnam's fiscal regime against peer countries and provide a fiscal regime competitive with those offered by other jurisdictions;
- b) Simplify the current fiscal regime for ease of explanation to investors;
- c) Provide fiscal stability and reduce frequency of policy changes due to the long lead-time of mining projects; and
- d) Continue improving internal standards and consider recognizing and adopting international mineral resource standards (e.g. JORC).

Exploration investment faces many risks and often changing objectives as exploration proceeds, especially in conditions of mineral resources at depth in the ground and in areas with complicated geological conditions. The Government must ensure that exploration and mine planning, the formulation of investment projects, and the development of mechanisms and policies will encourage exploitation rationally and with best efficacy. Companies that have a proven history of conducting technically advanced and environmentally responsible exploration programs must have subsequent applications fast-tracked. Ongoing exploration is the key to sustainability in mining projects.

5. REVISING THE VIETNAM MINERAL LAW and REDUCTION OF MINERAL TAXES

Discussions on clarifying, simplifying and improving Vietnam's new Minerals and Geology Law must be open and consultative, allowing the opportunity for input from Vietnamese and FDI mining companies and international mining experts through regular submissions and meetings, such as those organized earlier this year by the Australian Embassy in Hanoi. The Mining Working Group looks forward to participating and contributing to these discussions and meetings, so that clean, environmentally sustainable mining can be a significant part of Vietnam's impressive economic growth.

APPENDIX

POSITION PAPER OF AGRIBUSINESS & ENVIRONMENT WORKING GROUP

Water usage and water management (with focus on the Mekong Delta region)

INTRODUCTION

Freshwater, especially clean potable water, is a precious resource that is essential for life, agriculture, industry, and ecosystems. With populations increasing, demand for freshwater is also increasing, so, it is incumbent upon all parts of the society to actively engage in water conservation including reduced water usage, and high-level wastewater management.

Vietnam uses a significant amount of water annually across various sectors. The total water use in Vietnam is approximately **89 billion cubic meters per year**.

- **Agriculture:** The largest consumer, **75 billion cubic meters per year** (84% of total water use).
- **Industry:** Utilizes **10 billion cubic meters per year** (11% of total water use).
- **Domestic:** Accounts for **4 billion cubic meters per year** (4% of total water use).

These figures highlight the importance of efficient water management and conservation practices to ensure sustainable water use in Vietnam.

The Mekong Delta, often referred to as the "Rice Bowl" of Vietnam, is a critical region that supports the livelihoods of millions of people. Known for its extensive network of rivers, canals, and rich agricultural land, the Mekong Delta is vital to Vietnam's economy. However, the region faces significant challenges related to water management, which, if not addressed, could lead to severe ecological, economic, and social consequences.

1. Overview of the Mekong Delta

The Mekong Delta is located in the southwestern part of Vietnam, encompassing an area of approximately 40,000 square kilometers. It is formed by the deposition of sediment carried by the Mekong River, which flows through six countries: China, Myanmar, Thailand, Laos, Cambodia, and then into Vietnam. The Delta is characterized by its low-lying topography, extensive river networks, and fertile alluvial soil, making it one of the most productive agricultural regions in the world. The area produces over half of Vietnam's rice output and is a major contributor to the country's fishery and aquaculture industries.

Despite its natural abundance, the Mekong Delta faces numerous challenges related to water management. These challenges are exacerbated by both natural and human-induced factors:

- a. **Climate Change:** Rising sea levels, increased frequency of extreme weather events, and changes in precipitation patterns due to climate change pose significant threats to the Mekong Delta. Saltwater intrusion, caused by rising sea levels, can render large areas of agricultural land unproductive. Additionally, erratic rainfall patterns can lead to both droughts and floods, disrupting the delicate balance of water resources in the region.

- b. Upstream Dams and Water Diversions:** The construction of dams and water diversion projects along the Mekong River's upstream reaches, particularly in China and Laos, has altered the natural flow of water and sediment to the Delta. This has led to reduced sediment deposition, which is essential for maintaining the Delta's elevation and preventing land subsidence.
- c. Land Subsidence:** The over-extraction of groundwater for irrigation and domestic use has caused significant land subsidence in the Mekong Delta. This subsidence, combined with rising sea levels, increases the risk of flooding and saltwater intrusion, further threatening agricultural productivity and infrastructure.
- d. Pollution:** Industrial and agricultural activities in the Mekong Delta contribute to water pollution, affecting the quality of water resources. The use of pesticides and fertilizers in agriculture leads to nutrient runoff, causing eutrophication and harming aquatic ecosystems.

2. Importance of Sustainable Water Management

Given these challenges, sustainable water management is crucial for the Mekong Delta's future. Sustainable water management involves the careful planning and utilization of water resources to meet the needs of the present without compromising the ability of future generations to meet their own needs. Key aspects of sustainable water management in the Mekong Delta include:

- a. Integrated Water Resource Management (IWRM):** IWRM is a holistic approach that considers the interconnectedness of water, land, and ecosystems. It involves the coordination of water management efforts across different sectors and scales, promoting the efficient use of water resources and minimizing negative impacts on the environment. In the Mekong Delta, IWRM can help address the competing demands of agriculture, industry, and domestic use while ensuring the protection of vital ecosystems.
- b. Climate Resilience:** Building climate resilience involves adapting to changing climate and mitigating its impacts. This can be achieved through measures such as improving flood control infrastructure, promoting salt-tolerant crop varieties, and implementing water-saving irrigation techniques. Enhancing the resilience of communities and ecosystems in the Mekong Delta is essential for reducing vulnerability to climate change.
- c. Sustainable Agriculture Practices:** The adoption of sustainable agriculture practices can help reduce the negative impacts of agriculture on water resources. Precision farming, agroforestry, and organic farming can improve water use efficiency, reduce pollution, and enhance soil health. Promoting sustainable agriculture in the Mekong Delta is vital for maintaining the region's agricultural productivity and protecting water quality.
- d. Community Engagement and Education:** Engaging local communities in water management efforts and raising awareness about the importance of sustainable water use are critical for achieving long-term success. Educating farmers, industries, and residents about best practices in water conservation and pollution prevention can foster a sense of ownership and responsibility for water resources.

3. Potential Solutions and Strategies

Addressing the water management challenges in the Mekong Delta requires a multi-faceted approach that combines policy, regulatory, technical and community-based solutions. Some potential strategies include:

- a. Enhancing Water Infrastructure:** Investing in modern and efficient water infrastructure, such as reservoirs, canals, and flood control systems, can help manage water resources more effectively. Upgrading existing infrastructure and implementing new technologies can improve water distribution, reduce losses, and enhance resilience to extreme weather events.
- b. International Cooperation:** Given that the Mekong River flows through multiple countries, transboundary cooperation is essential for effective water management. Collaborative efforts among the Mekong River Commission (MRC) member countries can promote the sustainable use of shared water resources, address upstream-downstream impacts, and ensure equitable water distribution.
- c. Policy and Regulatory Frameworks:** Strong government policy and regulatory frameworks are necessary to support sustainable water management. The Vietnamese government should implement policies that promote water conservation, regulate groundwater extraction, and enforce pollution control measures. Incentives for adopting sustainable practices and penalties for non-compliance can drive positive change.
- d. Research and Innovation:** Continuous research and innovation are needed to develop new solutions for water management challenges. Investing in research on climate change adaptation, sustainable agriculture, and water management technologies can provide valuable insights and tools for addressing emerging issues. Coordination between Mekong Delta universities and international research organizations is essential to ensure world best practice in water management is researched and adopted.

4. Mekong Delta Water Management

Water management in the Mekong Delta is of paramount importance for ensuring the region's ecological, economic, and social sustainability. The challenges posed by climate change, upstream water diversions, land subsidence, and pollution require a comprehensive and integrated approach.

By adopting sustainable water management practices, building climate resilience, and engaging local communities, the people and government authorities of the Mekong Delta can ensure that this region will continue to thrive and remain a vital part of Vietnam and the world. Collaborative efforts at the local, national, and international levels are essential for safeguarding the future of the Mekong Delta and the millions of people who depend on its resources.

The annual flow of water in the Mekong River varies due to seasonal changes, but on average, the river discharges about **475 billion cubic meters** of water each year. The flow is highly influenced by the monsoon season, with the majority of the water being delivered during the wet season from June to November.

Upstream damming has significant effects on the Mekong River flows in Vietnam, impacting both the environment and local communities.

Upstream dams, particularly those in China and Laos, trap and store water, reducing the natural flow of the Mekong River. This reduction in flow leads to lower water levels downstream, affecting agriculture, fisheries, and daily water supply for communities in Vietnam.

Lower river flows exacerbate saltwater intrusion into the Mekong Delta, affecting freshwater availability for irrigation and drinking water. Saltwater intrusion damages crops and reduces agricultural yields, particularly affecting fish and shellfish production.

The altered flow regime disrupts the natural flood pulse of the Mekong River, affecting the breeding and migration patterns of fish and other aquatic species. This leads to declines in fish populations, which are crucial for local food security and livelihoods.

The impacts of upstream damming are compounded by climate change, which can lead to more extreme weather events, such as droughts and floods. These combined effects can create a "double water crisis" for downstream regions, including Vietnam.

The reduction in water flow and sediment transport has significant economic consequences for the Mekong Delta, which relies heavily on agriculture and fisheries. Lower agricultural productivity and fish catches can lead to reduced income for farmers and fishers, affecting the overall economy of the region.

Upstream damming has profound effects on the Mekong River flows in Vietnam. Addressing this issue requires international cooperation and sustainable water management practices to ensure the long-term viability of the Mekong Delta and the well-being of its communities.

5. Global Innovations

There are several innovative global water management and conservation methods being implemented to address water scarcity and ensure sustainable use of water resources. These should be considered by the Vietnamese government:

a. Digital Water Management

- **Smart Water Management Apps:** These apps use real-time data monitoring and leak detection to enhance water conservation efforts. They help users track water usage, detect leaks, and optimize water consumption.
- **IoT Technologies:** Internet of Things (IoT) devices are used to monitor water systems, providing valuable data for efficient water management.

b. Advanced Filtration and Desalination

- **Advanced Filtration Systems:** These systems remove contaminants from water more effectively, making it safe for consumption and reducing the need for extensive treatment.
- **Desalination:** Technologies like reverse osmosis are being used to convert seawater into freshwater, providing a new source of potable water in coastal regions.

c. Water-Saving Technologies

- **Smart Irrigation Systems:** These systems use weather data and soil moisture sensors to optimize irrigation schedules, reducing water waste in agriculture.

- **Low-Flow Fixtures:** Faucets, showerheads, and toilets designed to use less water without compromising performance are becoming increasingly popular in households and businesses.
 - **Leak Detention and Automatic shut-off systems** have been shown to have a significant impact on water usage.
- d. Wastewater Recycling and Reuse**
- **Greywater Recycling:** Reusing water from sinks, showers, and laundry for irrigation and toilet flushing helps conserve freshwater resources.
 - **Wastewater Treatment and Reuse:** Treated wastewater can be used for non-potable purposes, such as industrial processes and landscape irrigation.
- e. Rainwater Harvesting**
- Collecting and storing rainwater for future use reduces reliance on groundwater and surface water sources.
- f. Decentralized Water Management Infrastructure**
- Smaller, localized water treatment and distribution systems can be more efficient and resilient, especially in remote or underserved areas.
- g. Community Engagement and Education**
- **Public Awareness Campaigns:** Educating communities about the importance of water conservation and providing them with tools and knowledge to implement sustainable practices.
 - **Community-Based Management:** Involving local communities in water management decisions and practices to ensure long-term sustainability.
- h. Predictive Analytics and AI**
- Using data analytics and AI to predict water demand and optimize water distribution, helping to prevent shortages and manage resources more effectively.

These innovative methods and technologies are revolutionizing the way water is managed and conserved, making sustainable water use more achievable and accessible.

CONCLUSION

Vietnam has a significant role to play in water conservation and wastewater management and has the opportunity to be a leader in sustainable water use.

Global water conservation and wastewater management are vital for ensuring the sustainable and equitable use of water resources. By adopting sustainable practices, protecting the environment, and promoting cooperation, safe and reliable water supply can be secured for all.

It is not just a necessity, but a moral responsibility to manage water wisely for the well-being of people and the planet.

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