

Vietnam's Enterprise Law: 1 July 2025 Updates from Decree 168

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[18 July 2025]

Decree No. 168/2025/ND-CP: Key Updates from 1 July 2025

Decree No. 168/2025/ND-CP, effective from 1 July 2025, provides regulations on enterprise registration for the Law on Enterprises No. 76/2025/QH15, and replaces Decree No. 01/2021/ND-CP ("Decree 168"). Decree 168 aims to facilitate business establishment and operations, while enhancing transparency and efficiency in regulatory management. It introduces several new requirements related to electronic authentication, beneficial ownership declarations, changes to enterprise registration, along with amendment processes. This article summarizes key changes that investors should pay attention to to maintain compliance with the law.

1. Registration of New Business Lines

Decree 168 introduces a change in the approach to handling situations where enterprises register business lines that are not included in the Vietnamese Standard Industrial Classification (VSIC) and are not otherwise regulated under any legal documents. Previously, the regulation mentioned the right of enterprises to register a business line that is not included in VSIC, but the wording of the regulations was incomplete, leaving the matter confusing. Accordingly, when these application occurred, the authority's approach was to "consider adding the proposed business line to national data" – however, this wording did not confer an immediate right on the enterprise to register a new business lines.

This provision has been revised under Article 7.5 of Decree 168, which clearly allows new business lines to be registered, provided that they do not fall within the list of prohibited business lines. This approach more accurately reflects the principle that "enterprises are free to conduct business in sectors not prohibited by law", while also clarifying the licensing authorities' approach in assessing new business lines.

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2. Disclosure of Ultimate Beneficial Ownership (UBO)

From 1 July 2025, following the amendment to Law on Enterprise, all Vietnamese entities are legally required to disclose ultimate beneficial ownership in their business registration information. Under Article 17 of Decree 168, an individual is deemed to be the ultimate beneficial owner of an enterprise if they:

- (i) directly or indirectly own from 25% upwards of the charter capital or the total voting shares of the enterprise; or
- (ii) have the right to control the appointment, dismissal, or removal of managerial or executive positions, amend the company's charter, change the enterprise's internal management structure, reorganize, or dissolve the enterprise.

The criteria for identifying beneficial owners under Decree 168 are generally aligned with those set out in the Law on Anti-Money Laundering (AML) 2022, both of which adopt a 25% threshold for determining direct or indirect ownership and controlling rights. Nonetheless, notable distinctions exist between the two legal instruments. The AML Law does not distinguish between ownership of charter capital and voting rights; instead, it focuses solely on actual capital ownership, thereby capturing a wider range of concealed or layered ownership arrangements. In contrast, Decree 168 extends its scope to include voting shares, in line with its objective of enhancing corporate governance.

Decree 168 defines control through formal decision-making authority such as the ability to appoint, dismiss, or remove a majority or all members of the Board of Directors, the Chairperson, or key executives, as well as to amend the company's charter or restructure its internal governance. This reflects a legal approach centered on structural transparency and internal corporate control.

In addition, enterprises are also [responsible for declaring, maintaining, and updating UBO information](#) throughout the course of their operations.

3. Changes to Enterprise Registration Authorities

At the provincial level, instead of concentrating enterprise registration under the provincial-level Business Registration Offices as before, Decree 168 adds the Management Board of High-Tech Parks as a competent authority for enterprise registration of enterprises, branches, representative offices, and business locations situated in the High-Tech Park. This adjustment streamlines administrative procedures and empowers the Management Boards to provide more direct support to businesses operating in high-tech zones, particularly in relation to licensing coordination, investment facilitation and on-site operational management.

At the ward level, the Economic Office or the Economic and Infrastructure Office is designated as the competent authority responsible for issuing household business registration certificates, managing registration data, digitizing registration records, and monitoring compliance with administrative requirements.

4. Simplification of Enterprise Amendment Procedures

Decree 168 allows enterprises to submit a single consolidated application to concurrently: (i) register/notify changes to enterprise registration information; (ii) notify the updates or supplementation to enterprise registration information; and (iii) correct or rectify enterprise registration information, instead of submitting separate form as previously required.

In addition, the processing time for enterprise-related procedures such as changes in investment capital for sole proprietorship, notification of changes or identification of beneficial owners, notification of updates or additions to the title or personal information of the legal representatives, reissuance of enterprise registration certificates, and confirmation of registration changes have been reduced to only one working day.

This reform significantly reduces the administrative burden on enterprises, particularly by shortening the processing time for minor changes and updates to enterprise information thereby minimizing disruptions to day-to-day business operations.

5. Declaration of actual transaction value in M&A transactions

Clause 3, Article 124 of Decree No. 168/2025/ND-CP amends point a, clause 2, Article 66 of Decree No. 31/2021/ND-CP, requiring that the contents of M&A transactions to be registered must include the actual transaction value, instead of the estimated value.

This amendment is intended to ensure consistency with the contents of the application for registration of capital contribution, share acquisition, or acquisition of capital contributions (Form A.I.7) as prescribed in Circular No. 25/2023/TT-BKHDT, which took effect from 15 February 2024. Therefore, investors are advised to carefully consider the determination of transaction value and the structuring of the transaction, particularly prior to the submission of the investment registration dossier for capital contribution, share acquisition, or acquisition of capital contributions. This still provides some difficulties for transactions which have values that can fluctuate (ie, through earn-outs or values linked to other contemporaneous events), but is a step in the direction of transparency.

Decree 168 marks a regulatory shift that seeks to enhance transparency and simplification to enterprise registration procedures in Vietnam. With clearer rules on business line registrations, mandatory disclosure of ultimate beneficial ownership, and streamlined amendment processes, Decree 168 helps to reduce compliance burdens whilst facilitating efficient business operations and better aligning to international norms. Enterprises should proactively review current operations to assess whether any appropriate actions are needed, ensure alignment with applicable laws and to mitigate potential legal exposure.

For any further questions you may have, please reach out to us at vietnam@alitim.com


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