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Vietnam Strengthens Beneficial Ownership Transparency And Updates Enterprise Registration Procedures

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On 23 July 2026, the Government issued Decree No. 296/2026/ND-CP ("**Decree 296**"), amending Decree No. 168/2025/ND-CP on enterprise registration ("**Decree 168**"). Decree 296 took effect on the same date.

The amendments pursue two parallel objectives. On the one hand, Decree 296 facilitates enterprise registration through greater use of government databases and streamlined electronic procedures. On the other, it increases transparency regarding the individuals who ultimately own or control enterprises and introduces tighter compliance requirements for enterprises that remain under prolonged business suspension.

The beneficial ownership amendments are the most material. Decree 168 already recognised indirect ownership and certain forms of corporate control. Decree 296 does not replace an ownership-only regime with an entirely new control-based regime. Instead, it materially broadens and systematises the existing framework by introducing an express concept of ultimate ownership or control, expanding aggregation and look-through requirements and establishing a sequential identification process.

Key takeaways

- Owners, shareholders and members are now expressly prohibited from standing in another person's name to contribute capital to an enterprise.
- Enterprises must look through each level of their ownership structure to identify the individual who ultimately owns or actually controls the enterprise.
- Government-held information may replace certain documents in registration dossiers, although this depends on database connectivity and the availability and accuracy of the relevant information.
- Enterprises may not remain under consecutive business suspension for more than 24 months and are subject to a new post-suspension confirmation and enforcement process.

1. Express prohibition on nominee capital holding

Decree 296 supplements the general principle that founders and enterprises are responsible for the legality, truthfulness and accuracy of enterprise registration information.

It further provides that owners, shareholders and company members must comply with the rules governing contributed assets and **must not stand in another person's name to contribute capital to an enterprise**. This expressly addresses arrangements under which one person supplies the capital while another is recorded as the registered owner, shareholder or member.[1]

The provision does not, by itself, prescribe that every existing nominee arrangement is automatically invalid or that the beneficial investor automatically acquires the registered holder's legal title. Nor does Decree 296 establish a specific criminal consequence for such arrangements. Those issues would depend on the relevant facts and other applicable legislation.

Nevertheless, nominee arrangements will now present a more direct enterprise-registration compliance risk. They may also create uncertainty over ownership rights, voting rights, dividend entitlements and responsibility for representations made in registration filings. Both the registered holder and the person providing the capital should therefore reassess any arrangement under which the formal ownership records do not reflect the underlying economic arrangement.

2. A more comprehensive beneficial ownership framework

(a) Existing ownership and control concepts are retained

Under Decree 168, an individual could already be identified as a beneficial owner based on either:

- direct or indirect ownership of at least 25% of charter capital or voting shares; or
- the right to control specified corporate matters, including senior management appointments, amendments to the charter, changes to the management structure, reorganisation or dissolution.[2]

Decree 168 also recognised indirect ownership through another organisation. Accordingly, indirect ownership and substantive control are not entirely new concepts introduced by Decree 296.

The principal change is that Decree 296 now defines a beneficial owner as one or more individuals who directly or indirectly own, or **ultimately exercise actual control** over, an enterprise having legal personality. Individuals representing State capital in an enterprise are expressly excluded.[3]

(b) Combined direct and indirect ownership

An individual is a beneficial owner where the individual directly, indirectly, or through a combination of both methods owns at least:

- 25% of the enterprise's charter capital; or
- 25% of its total voting shares.

[1] Article 4.1 of Decree 168, as amended and supplemented by Article 1.1 of Decree 296.
[2] Article 17 of Decree 168 prior to its amendment.
[3] Article 17 of Decree 168, as amended and supplemented by Article 3 of Decree 296.

The express recognition of combined direct and indirect ownership is important for multi-layer investment structures. An individual may therefore satisfy the threshold even where no single direct or indirect holding independently reaches 25%, provided that the combined interest meets the statutory threshold.

Decree 296 also extends indirect ownership beyond holdings through corporate entities. An individual may hold an **indirect interest through organisations or other legal arrangements**.[4]

(c) Aggregation among family members and contractual co-owners

Decree 296 introduces an aggregation rule for groups of individuals who:

- have a family relationship falling within the statutory definition under the Enterprise Law; or
- jointly own the relevant interest under a contract.

Where the group collectively holds at least 25% of charter capital or voting shares, directly, indirectly or through a combination of both, the enterprise must identify the individuals in the group as beneficial owners.[5]

This should not be interpreted as automatically aggregating the interests of all relatives. The relevant statutory relationship or joint ownership arrangement must exist, and the group must collectively meet the 25% threshold.

(d) General partners

All general partners of a partnership are now treated as beneficial owners irrespective of their capital contribution or voting rights.[6]

This is broader than the previous regime. Under Decree 168, the express ownership-based reporting criterion generally focused on members holding at least 25% of charter capital. Decree 296 now reflects the personal liability and management position of general partners by treating each of them as a beneficial owner.

(e) Actual control test

Where no individual satisfies the ownership test, or where there are grounds to conclude that an individual identified under the ownership test is not the actual beneficial owner, the enterprise must consider whether another individual exercises control by legal or factual means.

Relevant control rights include the authority to:

- appoint, remove or dismiss most or all members or chairpersons of the board of directors or members' council, or the director or general director;
- amend the enterprise's charter;

[4] The second paragraph of Article 17.1 of Decree 168, as amended and supplemented by Article 3 of Decree 296.
[5] The third paragraph of Article 17.1 of Decree 168, as amended and supplemented by Article 3 of Decree 296.
[6] The fourth paragraph of Article 17.1 of Decree 168, as amended and supplemented by Article 3 of Decree 296.

- change its organisational structure;
- determine its financial, investment or operational policies; or
- decide on its reorganisation or dissolution.[7]

Some of these control indicators already existed under Article 17 Decree 168. The material additions are the express references to financial policy, investment and operations, together with the wider focus on actual control.

(f) Senior-manager fallback

If no individual can be identified through either ownership or actual control, the enterprise must identify the enterprise manager having the greatest authority to act on its behalf. A person representing State capital cannot be selected for this purpose.[8]

This fallback prevents an enterprise from concluding that it has no beneficial owner merely because its ownership is dispersed or its control structure is not attributable to a particular investor.

3. Mandatory look-through review and sequential identification

Decree 296 places a substantive identification obligation on founders and enterprises. They must review each level of the enterprise's ownership structure until they identify the individual with ultimate ownership or actual control.

Where the ownership structure contains a legal arrangement governed by anti-money laundering legislation, the beneficial owner of that arrangement is determined under the applicable anti-money laundering rules.[9]

The identification and reporting process must be followed in the following order:

- identify individuals meeting the ownership criteria;
- where no such individual exists, or the ownership-based individual is not the actual beneficial owner, identify one or more individuals exercising actual control; and
- where neither test identifies an individual, report the enterprise manager with the greatest authority.[10]

This is a material development from Decree 168, which required beneficial ownership information but did not expressly prescribe a level-by-level review and a sequential methodology.

Decree 296 also replaces the former standalone requirement to report information on a corporate shareholder holding at least 25% of the voting shares. The revised regime focuses instead on tracing through corporate shareholders and other arrangements to identify the ultimate individual. Accordingly, clause 3 of Article 18 of the former Decree 168 has not been retained in the revised

[7] Article 17.2 of Decree 168, as amended and supplemented by Article 3 of Decree 296.
[8] Article 17.3 of Decree 168, as amended and supplemented by Article 3 of Decree 296.
[9] The second paragraph of Article 18.1 of Decree 168, as amended and supplemented by Article 4 of Decree 296.
[10] Points a, b and c of Article 18.2 of Decree 168, as amended and supplemented by Article 4 of Decree 296.

Article 18[11], and Decree 296 repeals the related change-notification provision in Article 52.2 of Decree 168.[12]

For corporate groups and M&A transactions, a review limited to the enterprise registration certificate or immediate shareholder register will therefore be insufficient. Relevant materials may include ownership charts, constitutional documents, shareholder or members' agreements, voting arrangements, appointment rights and other contractual control mechanisms.

4. Greater reliance on government data

Provincial business registration authorities must use information already available in the National Business Registration Database and other national or specialised databases.

Where the relevant information is available, applicants should not be required to resubmit copies of specified documents, including enterprise, tax and investment registration certificates, foreign-investor acquisition approvals, certain regulatory approvals and final court decisions.[13]

The exemption is subject to two important limitations.

First, the authority may still request copies where the information cannot be accessed or is incomplete or inaccurate. Second, the replacement of dossier documents through database information depends on the relevant system connection and data-sharing arrangements and will be implemented in accordance with announcements on the National Business Registration Portal.

The amendment should therefore reduce documentary duplication, but enterprises must continue to ensure that information across different government databases is accurate and consistent.

5. Targeted electronic authentication and streamlined online filings

Decree 168 broadly required both the authorising person and the authorised filing agent to complete electronic authentication. Decree 296 now targets that requirement to specified higher-risk procedures, including enterprise establishment and changes involving legal representatives, owners, LLC members, certain shareholders, private enterprise owners and general partners.[14]

Electronic dossiers already had the same legal value as paper dossiers under Decree 168. Decree 296's principal procedural changes instead include[15]:

- permitting documents to be submitted as electronic documents or electronic data;
- allowing access through the National Public Service Portal or national identification application;
- distinguishing between filings made by the authorised signatory and those made by an authorised filing agent; and
- removing the requirement to upload certain application forms or notices where the information is entered directly into the system and only the filer's signature is required.

[11] Article 18 of Decree 168, as amended and supplemented by Article 4 of Decree 296.
[12] Article 19.9 of Decree 296.
[13] Article 4.7 of Decree 168, as supplemented by Article 1.2 of Decree 296.
[14] Article 12.5 of Decree 168, as amended and supplemented by Article 2 of Decree 296.
[15] Article 39 of Decree 168, as amended and supplemented by Article 9 of Decree 296; and Article 39 of Decree 168, as amended and supplemented by Article 9 of Decree 296.

Other documents, particularly those requiring multiple signatures, must still be signed and uploaded in the prescribed electronic form.

6. Tighter controls over suspended and dissolved enterprises

Each business suspension period remains limited to 12 months. Decree 296 adds an aggregate limit of 24 consecutive months.[16]

The suspension notice must include the legal representative's telephone number and email address.[17]

Changes to enterprise registration information under Articles 30 and 31 of the Law on Enterprises arising during suspension must still be registered or notified.[18]

Within five working days after the notified suspension period ends, the legal representative must confirm, through the National Business Registration Information System, that the enterprise has resumed business and has complied with its registration obligations. Failure to confirm does not immediately result in revocation of the Enterprise Registration Certificate. Within 10 working days after the confirmation deadline expires, the provincial-level business registration authority must first request the enterprise to submit a report. If the enterprise then fails to submit the report within six months after the reporting deadline, its enterprise registration certificate may be revoked and it must proceed with dissolution.[19]

With respect to the transitional provisions, any period of suspension of business registered before 23 July 2026 shall be counted towards the aggregate 24-month period. However, the obligation to confirm the resumption of business applies only to enterprises that notify a suspension of business on or after the effective date of Decree 296.[20]

7. Key recommendations for enterprises and investors

Article 20 and Article 21 of Decree 296 does not establish a general stand-alone deadline requiring every existing enterprise to make an immediate fresh beneficial ownership filing solely because the decree has taken effect.

Nevertheless, enterprises should undertake an internal review to determine whether their existing beneficial ownership information remains accurate under the amended criteria. Priority should be given to enterprises with:

- multi-layer or cross-border ownership structures;
- interests divided among related individuals;
- shareholder or voting arrangements that separate economic ownership from control; or
- investors exercising material control without holding 25%.

[16] Article 60.1 of Decree 168, as amended and supplemented by Article 11.1 of Decree 296.
[17] Article 60.2(a) of Decree 168, as amended and supplemented by Article 11.2 of Decree 296.
[18] Article 60.7 of Decree 168, as supplemented by Article 11.3 of Decree 296.
[19] Article 60.8 of Decree 168, as supplemented by Article 11.3 of Decree 296.
[20] Articles 21.1 and 21.2 of Decree 296.

Enterprises should also review internal controls over electronic identification accounts, digital signatures and authorised filing agents, and ensure that registration information remains consistent across government databases.

For transactional purposes, beneficial ownership analysis should form part of legal due diligence, transaction structuring and post-completion registration planning. The key question is no longer limited to who appears in the immediate ownership records. Enterprises and investors must also determine which individual ultimately holds the economic interest or, in practice, has the ability to control the enterprise.

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