



LEGAL UPDATE

VIETNAM'S NEW BENEFICIAL OWNERSHIP RULES UNDER THE AMENDED LOE

From 1 July 2025, Vietnam's newly enacted Law No. 76/2025/QH15 amending the Law on Enterprise (**2025 Amended LOE**) introduces a formal regime for identifying and disclosing the Ultimate Beneficial Owner (**UBO**) of companies with legal personality.

1. Key Requirements

a. New legal concept

The **UBO** is defined as a natural person who directly or indirectly:

- i. Owns 25% or more of the company's charter capital or voting rights; or
- ii. Has the ability to control key corporate decisions.

State representatives in wholly State-Owned Enterprises (**SOEs**) are excluded from being considered UBOs.¹

b. Book record and filing

Companies must collect, update, and maintain records of UBO information during the life of the company and for five years after dissolution.² UBO data must be filed with the Business Registration Authority (**BRA**) upon company incorporation and whenever changes occur (within 10 days).³ Failure to comply may result in administrative penalties, which are currently under discussion.

c. Legal representative liability

The company's legal representative is personally liable for the accuracy of UBO filings and must cooperate with regulatory authorities.⁴

d. Access by regulators

Tax, customs, anti-money laundering (**AML**), and other competent agencies can access UBO data from the BRA at no cost, to support enforcement and regulatory oversight.⁵

e. Transitional provisions

Companies established before 1 July 2025 must disclose UBO information in their next business registration or update filing, as there is no separate or standalone deadline for submitting UBO information.

2. Practical Observations

- The amendment requires companies to trace ownership through multiple layers of intermediaries and nominee arrangements to reveal actual control. However, the current legal framework remains unclear in certain situations. For instance, it is unclear whether disclosure is required when a company is wholly owned through multi-tiered corporate structures. The same ambiguity applies in the case of a single-member limited liability company owned by a legal entity. At present, only joint-stock companies with institutional shareholders are explicitly required to disclose UBOs.⁶ The scope of application for other entity types remains ambiguous.
- Any change affecting the 25% ownership/control threshold triggers an obligation to update within 10 days, which may necessitate internal procedural changes and increase compliance costs.
- The BRA acts as a central hub sharing UBO data with tax, customs, and AML authorities, reducing duplicate filings but requiring alignment of corporate and tax records.
- Companies should anticipate that investors and lenders may require early UBO disclosure or interim warranties in ongoing deals.

The new UBO regulations reflect Vietnam's commitment to aligning with FATF standards on anti-money laundering and transparency. This alignment enhances legal certainty and helps mitigate compliance risks for foreign investors engaging in equity or financing transactions in Vietnam.

¹ Article 4.35 of 2025 Amended LOE

² Article 11.2 of 2025 Amended LOE

³ Article 8.5.a, 31.1.c & 33.1.a of 2025 Amended LOE

⁴ Article 13.1.d of 2025 Amended LOE

⁵ Article 33.1.a of 2025 Amended LOE

⁶ Article 18.3 2025 Amended LOE



3. Key Takeaways

Key obligations under the 2025 Amended LOE include:

- Determining and regularly updating UBO information;
- Maintaining UBO records at the company's registered office;
- Submitting UBO information to the BRA using the prescribed form; and
- Ensuring the legal representative signs off on the accuracy and completeness of the UBO report.

Failure to comply may result in administrative sanctions, including potential personal liability for the company's legal representative.

4. Conclusion

Vietnam's introduction of a formal UBO disclosure regime marks a significant step toward regulatory transparency and international compliance. Companies should proactively review their ownership structures, implement internal procedures to track UBO information, and ensure timely reporting to avoid potential liabilities. Early alignment with these requirements will be especially important for those anticipating investment, financing, or M&A activity.

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