VIETNAM

Legal and Tax Digest

November 2025

*Circular No. 41/2025/TT-NHNN ("**Circular 41**") dated November 5, 2025 Services issued by the State Bank of Vietnam ("**SBV**") on **"Amending and Supplementing Circular No. 40/2024/TT-NHNN on the Legal Framework Governing Intermediary Payments**"*

The circular addresses the evolving needs of Vietnam's digital economy by enhancing the security, transparency, and user convenience of intermediary payment services. We provide the key highlights below.

Enhanced security and fraud prevention

The circular prioritizes customer identification to curb unverified accounts and enhance anti-money laundering compliance.

- **Mandatory biometric verification:** Intermediary payment service providers ("**IPSPs**") must verify the e-wallet holder's identity through in-person meetings or biometric methods (e.g. facial recognition or fingerprints) at account opening.
- **Phone number verification:** Customer phone numbers must be verified during e-wallet registration and for electronic payment transactions.
- **Control over fund sources:** IPSPs are required to ensure transaction funds originate solely from the customer's payment accounts, bank cards, or the e-wallet itself, promoting traceability and simplifying compliance with monitoring requirements.

Facilitating digital commerce and flexibility

To accommodate growing digital payments, the circular relaxes certain limits while optimizing risk controls.

- **Increased e-wallet transaction limit:** The monthly limit for individual e-wallet payment transactions increases from VND100 million to VND300 million, enabling higher-value purchases, bill payments, and non-cash adoption.
- **Diversified payment assurance:** For collection and payment support services, IPSPs are now given the flexibility to choose between dedicated payment assurance accounts or alternative guarantee methods, allowing better capital utilization tailored to their operations.

Inter-provider data sharing

Originating providers must share transaction details with beneficiary providers upon request, applicable to transfers between e-wallets or between e-wallets and VND accounts/debit cards. This facilitates efficient dispute resolution, verification, and reconciliation.

Effectiveness

While the general provisions, including information-sharing requirements, and payment assurance flexibility, entered into effect on the issuance date (November 5, 2025), certain provisions, such as the increased transaction limit and biometric requirements, take effect from January 1, 2026.

*Circular No. 39/2025/TT-NHNN issued on October 31, 2025 by the SBV on the "**Opening and Use of Foreign Currency Accounts Abroad by Resident Organizations in Vietnam**"*

Effective 15 December 2025, this circular replaces Circular No. 20/2015/TT-NHNN ("**Circular 20**"). It applies to three groups of entities: licensed credit institutions, economic organizations, and other organizations (including state agencies, social organizations, and charities). Key provisions address the circumstances for account opening, licensing requirements, permissible purposes, and reporting obligations, with a particular focus on streamlining processes for economic organizations borrowing foreign loans.

Clearer guidance on permit term

The circular provides explicit criteria for determining the term of the permit required for opening and using an overseas foreign currency account in the context of foreign loans. The term is based on:

- The period during which the borrower must fulfill repayment obligations under the foreign loan agreement (including any amendments).
- The validity of the relevant foreign loan registration or registration amendment with the SBV (if applicable).

This approach addresses inconsistencies in Circular 20, where the term was linked solely to the foreign loan agreement's validity, ensuring better alignment with actual operational timelines.

Single account for multiple loans

A significant enhancement allows economic organizations to utilize a single overseas foreign currency account for one or more foreign loan. This reduces administrative complexities, particularly for large-scale projects involving multiple cross-border loans, which was not permitted under Circular 20.

Simplified and expedited administrative procedures

This circular streamline application processes to expedite approvals:

- Applications for initial permits or amendments can now be submitted online via the National Public Service Portal, in addition to in-person or by post.
- Processing timelines have been shortened—permits can be issued within 10 business days (compared to 15 business days under Circular 20) after the authorities' receipt of a complete and valid dossier.

Reduced dossier requirements

The documentation burden has been eased for economic organizations borrowing foreign loans, requiring only:

- The application form (in the prescribed format); and
- The agreement on the overseas foreign currency account or other document evidencing the lender's requirements for such an account.

This is different from the requirements under Circular 20, which included the enterprise registration certificate, the investment registration certificate, the establishment and operation licenses (or their equivalent), the foreign loan agreement (if separate from the account agreement), and explanations or supporting documents for permit amendments.

Commerce

> *Draft decree released by the Ministry of Industry and Trade ("**MOIT**") to replace Decree No. 09/2018/ND-CP on "**Trading and Other Directly Related Activities by Foreign Investors and Foreign-Invested Enterprises in Vietnam**"*

The draft decree introduces reforms to streamline market entry while enhancing oversight, with significant implications for retail, distribution, and related activities.

Administrative procedure reforms

The draft decree decentralizes the authority from the MOIT to the Provincial People's Committees for issuing business licenses and retail outlet establishment licenses ("**ROEL**"), eliminating the need for prior consultations with the MOIT or other ministries, except in national security cases requiring input from the Ministry of Public Security or the Ministry of National Defense.

The draft simplifies application dossiers by removing requirements for financial plans and employment creation plans for domestic employees. Applications will be able to be submitted online via the National Public Service Portal, in addition to in person or by post, with processing times shortened (i.e. verification of completeness within three working days, issuance within 10-20 working days for complete dossiers).

Transitional provisions for M&A transactions

The draft decree introduces a 12-month transitional period for domestic enterprises becoming foreign-invested enterprises through capital contributions or share purchases, allowing continued operations while obtaining the required business license or ROEL. This period starts from the legal recording of the foreign investment, but failure to secure licenses within this timeframe may result in the mandatory cessation of activities and potential administrative penalties. This may create a compliance burden to meet the regulatory deadline, especially for enterprises that already have multiple existing retail outlets.

Economic needs test

The draft decree codifies economic needs test ("**ENT**") exemptions for investors from countries or territories that are parties to international agreements in which Vietnam has committed to removing the ENT requirement, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), EU-Vietnam Free Trade Agreement (EVFTA), and Vietnam - UK Free Trade Agreement (UKVFTA), regardless of outlet size, providing a competitive advantage by removing this barrier for additional retail outlets beyond the first. For non-free trade agreement investors, the existing exemption for outlets under 500m² in shopping malls is retained.

Where an ENT applies, assessments are decentralized to the commune/ward level for outlets up to 5,000m² and the provincial level for those exceeding 5,000m². Criteria for ENT assessments are simplified by the removal of "scale of geographical market area" and "number of existing retail outlets," focusing instead on population size, density of facilities, socio-economic impact, and market stability, with required consultations with residents and existing stores.

Reporting and compliance obligations

Reporting is made to the Provincial People's Committees, increasing from annually to semiannually (by January 31 and June 30 each year), and requiring detailed submissions on revenue, profit, taxes, and retail outlet status. Enforcement is strengthened, with license revocation possible for non-reporting over 24 months or unnotified cessation of operations for over 12 months.

Elaboration on the validity terms of business licenses and ROELs

- Business licenses: For investors from countries that are members of international agreements where Vietnam has committed to open its markets to sales of goods and other directly related activities: valid for the duration of the Enterprise Registration Certificate (ERC). For others, the business license will be valid for five years.
- ROELs: The shorter of (i) the remaining duration of the Investment Registration Certificate (IRC) for the retail project; or (ii) the lease term of the retail premises.

As of the end of November 2025, the draft decree remains under review following public consultations in September and October 2025. As a draft, the decree has no effective date yet, but it is expected to be officially issued in early 2026 following final reviews.

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