

LEGAL UPDATE: 6 SIGNIFICANT RECENT LEGAL DEVELOPMENTS



Head Office: Room 7.01, TMS Building, 172 Hai Ba Trung Str.,
Tan Dinh Ward, Ho Chi Minh City, Vietnam.



Branch Office: 330 Nguyen Van Troi, Phu Loi Ward,
Ho Chi Minh City, Vietnam.



Transaction Office: 101/20 Street 11, Thu Duc Ward,
Ho Chi Minh City, Vietnam.



info@cdlaf.vn



+84 (28) 3636 5486



cdlaf.vn



/cdlaflawfirm

LEGAL UPDATE:

6 SIGNIFICANT RECENT LEGAL DEVELOPMENTS

1. AMENDED LAW ON ENTERPRISES 2025 (AMENDING AND SUPPLEMENTING SEVERAL PROVISIONS OF THE LAW ON ENTERPRISES 2020, AS AMENDED IN 2022)

The Amended Law on Enterprises 2025 takes effect on 01 July 2025, focusing on enhancing corporate transparency through the regulation of beneficial ownership and strengthening the responsibilities of enterprise managers. Key highlights include:

- Requirement to collect, update, and retain information on **beneficial owners** and to notify the business registration authority accordingly.
- Prohibition against false declaration of charter capital where registered capital is not fully contributed without adjusting the registered capital.
- Officials, public servants, and public employees may participate in establishing and managing enterprises in the fields of science–technology and digital transformation.
- Additional cases where a joint-stock company may reduce its charter capital, including **refunds of contributed capital** upon shareholders' request.

2. LAW ON SOCIAL INSURANCE 2024 AND DECREE 158/2025/ND-CP GUIDING MANDATORY SOCIAL INSURANCE

Effective from 01 July 2025, the Law on Social Insurance 2024 introduces several notable provisions:

- Expansion of compulsory social insurance coverage to include: Enterprise managers, controllers, representatives of state capital, representatives of enterprises' capital as prescribed by law; members of Boards of Directors, General Directors, Directors, members of Boards of Controllers or Controllers, and other elected managerial positions prescribed by the Law on Cooperatives **do not receive salaries**.
- Clarification of **acts of evasion and delay** in social insurance contributions, and clear allocation of responsibilities among relevant parties.
- Introduction of a new **salary reference basis** for social insurance contributions, replacing the current statutory base salary.
- Retirement pension entitlement requires a minimum contribution period of **15 years** for both men and women.

3. LAW ON VALUE-ADDED TAX (VAT) 2024 AND DECREE 181/2025/ND-CP GUIDING VAT LAW

Both effective on 01 July 2025, the new VAT Law and its guiding Decree introduce major changes in VAT policy. Key points include:

- VAT taxpayers are expanded to include foreign suppliers conducting e-commerce or digital platform-based business activities, as well as organizations managing e-commerce trading platforms.
- For goods and services used for **promotional purposes** in accordance with commercial laws, the taxable value shall be determined as **zero**.
- VAT refunds are applicable for enterprises that exclusively produce goods or provide services **subject to a 5% VAT** rate if uncredited input VAT reaches VND 300 million or more over a period of 12 months or 4 quarters.
- Requirement of non-cash documentary evidence (including for imported goods) for purchases of goods and services valued at **VND 5 million** or more (inclusive of VAT).

4. DECREE 219/2025/ND-CP ON FOREIGN EMPLOYEES WORKING IN VIETNAM

Effective from 07 August 2025, Decree 219/2025/ND-CP marks a significant reform in the management of foreign employees in Vietnam by simplifying procedures and promoting digital transformation. Key highlights include:

- Authority for issuance, reissuance, extension, and revocation of work permits, as well as certificates of exemption from work permits, is delegated to **provincial People's Committees**.
- Work permit exemption is granted to foreign employees whose total working period in Vietnam does not exceed **90 days** within a year.
- Extension of the timeframe for application submission and work permit renewal.
- Relaxed experience requirements for experts and technical workers, while executive directors are required to have at least **three years** of experience.

5. LEVEL-2 ELECTRONIC IDENTIFICATION FOR FOREIGNERS AND ELECTRONIC IDENTIFICATION FOR ENTERPRISES UNDER DECREE NO. 69/2024/ND-CP

5.1. Electronic identification for foreigners

From 01 July 2025, the Ministry of Public Security implements nationwide issuance of level-2 electronic identification accounts for foreigners residing in Vietnam, specifically:

- Eligible applicants: Foreigners lawfully residing in Vietnam who have been granted a valid permanent residence card or temporary residence card.
- Procedure: Foreigners must apply in person at the immigration management authority under the Ministry of Public Security.
- Processing time: No more than 3 working days for applicants whose biometric data (photo, fingerprints) already exist in the system; no more than 7 working days if new biometric data must be collected.

5.2. Electronic identification for enterprises

Under Decree No. 69/2024/ND-CP, from 1 July 2027, enterprises are required to use VNeID electronic identification accounts issued by the Ministry of Public Security when accessing the National Public Service Portal and ministerial/provincial-level administrative procedure systems. Key procedures include:

- Eligible applicants: Vietnamese and foreign agencies/organizations operating in Vietnam that directly participate in or are related to electronic identification activities.
- Procedure: Registration may be carried out online via the VNeID application or website (vneid.gov.vn), or in person at the Department of Administrative Management of Social Order, identity management authorities, or local commune-level police offices.
- Result notification: The electronic identification and authentication authority will notify results through the National Identification Application (VNeID), the registered mobile phone number, or the registered email address.

6. CHANGES IN ADMINISTRATIVE BOUNDARIES FROM 01 JULY 2025

As of 01 July 2025, the nationwide plan on provincial mergers and administrative boundary adjustments has officially taken effect. This restructuring aims to streamline the state apparatus, enhance the effectiveness of state management, and may also create potential impacts on business operations. Key highlights include:

- The total number of provinces and centrally-governed cities has been reduced from 63 to 34 provincial-level units. **Notably, Ho Chi Minh City now comprises three merged provinces/cities: Ho Chi Minh City, Binh Duong, and Vung Tau.**

- On the basis of mergers, more than 23 new provincial-level units have been established, while 11 provinces/cities remain unchanged.
- Local authorities are now organized under a two-tier system, consisting of provincial and grassroots levels, with the district level abolished.
- The mergers necessitate the reorganization of functions, responsibilities, and structures of state agencies to conform with the new governance model.

Under current law, enterprises are not required to update their business registration certificates or invoices solely due to administrative boundary changes resulting from mergers. However, **proactively updating** such information is **highly advisable** to ensure consistency and transparency in corporate legal records and to prevent risks such as discrepancies on invoices and contracts, or difficulties in dealings with state authorities in the future.

OUR ECOSYSTEM:



OFFICE LEASING



CORPORATE COMPLIANCE



[/cdlaflawfirm](#)