ASIA COUNSEL CLIENT ALERT

COMPLIANCE REQUIREMENTS FOR COMPANIES IN VIETNAM

ENTERPRISE ELECTRONIC IDENTIFICATION REQUIREMENTS – IMPENDING DEADLINE

Decree 69/2024/ND-CP dated 25 June 2024 of the Government, providing guidance in relation to electronic identification and authentication, came into effect from 1 July 2024 (“**Decree 69**”). Decree 69 imposed new electronic identification obligations on citizens, foreign nationals, and organisations in Vietnam.

Notably, Decree 69 requires that all Vietnam-domiciled enterprises are required to complete certain mandatory electronic identification processes and obtain an electronic identification account (“**eID Account**”) from the Public Security Department, on or before the specified deadline of 30 June 2025.

Deadline: By 30 June 2025

Enterprises having obtained an eID Account will use it to conduct any online administrative procedures, including but not limited to amendments to enterprise registration certificates, registration of changes of enterprise information, electronic invoice registration and issuance, tax declaration and payment processes, and completion of various periodical reporting obligations (for example, in relation to labour or foreign loans).

After 30 June 2025, any enterprises having failed to obtain an eID Account are likely to encounter difficulties in filing regulatory applications of the kind outlined above and/or generally interfacing with key State authorities in Vietnam. Enterprises who have not yet taken steps to come into compliance with Decree 69 are encouraged to do so, as a matter of urgency, as soon as possible prior to 30 June 2025.

(a) **For enterprises that have at least one legal representative who is a Vietnamese national**: The entire process for obtaining an eID Account may be carried out online, by the Vietnamese legal representative, using his or her mobile application (namely VNeID) – this being the application which most Vietnamese citizens have already been required to install in connection with the "Level 2" individual identification process.

We have attached together with this Client Alert a step-by-step guide to complete this process on the VNeID application, accessible via this **Link**.

This process would normally take approximately 15 minutes to complete. Within three business days as from completion this process, the Public Security Department will verify the relevant enterprise's identification information, based on the information available on the national database, and issue the eID Account to the enterprise through the VNeID application of the Vietnamese legal representative. The verification process may take longer but should not exceed 15 days. Once issued, the legal representative will need to activate the eID Account within seven days of issuance.

(b) **For enterprises that only have one or more foreign nationals as legal representative(s)**: There is currently no specific guidance or technical support available for foreign legal representatives to complete the electronic identification process. In practical terms, such enterprises are required to liaise directly with the Public Security Department in order to complete the necessary processes as prescribed by the Public Security Department. Foreign legal representatives are likely to be required to be present in person and show their original passport to the local Public Security Department, in order to be able to complete the necessary processes.

After 30 June 2025: Decree 69 emphasizes that enterprises' accounts created via the National Public Service Portal or other portals for administrative procedures at provincial or ministerial levels, currently used for conducting various administrative procedures of the kind mentioned above, will no longer be valid. Therefore, enterprises are strongly encouraged to complete the process of obtaining an eID Account as soon as possible and before 30 June 2025, to avoid potential disruption to business operations.

INVESTMENT PROJECT IMPLEMENTATION PERIODIC REPORTING

All enterprises in Vietnam who hold an investment registration certificate ("**IRC**") in relation to any investment project are required to lodge the following periodic investment project implementation reports ("**Investment Reports**") with the State authorities of competent jurisdiction, commencing as from the issuance date of the IRC:

<table>
<tr><th>No.</th><th>Type of Investment Reports</th><th>Statutory timeline</th><th>Form of report</th><th>Regulatory authority</th></tr>
<tr><td>1</td><td>Report on the status of investment project implementation.</td><td>• Quarterly basis: By the 10th day of the first month after the reporting quarter.
• Annual basis: By 31 March of following year.</td><td>Online report
(via https://fdi.gov.vn).</td><td rowspan="2">(a) Department of Finance at provincial level ("DOF"); or
(b) Industrial Zone Authority having issued the IRC (where the investment project is implemented within an industrial zone).</td></tr>
<tr><td>2</td><td>Investment supervision and assessment report.</td><td>• Bi-annual basis: By 10 July of the reporting year.
• Annual basis: By 10 February of the following year.
• Ad-hoc basis: Before any amendment to the IRC.</td><td>Original hard copy report with wet-ink signature.</td></tr>
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As a matter of practice, if an IRC-holding enterprise submits to the State authority of competent jurisdiction any application to amend its IRC for any reason, the relevant State authority will normally require the submission of evidence of the enterprise being fully up-to-date with its periodic reporting requirements, as a condition precedent to the processing of the IRC amendment application.

The DOF in many provinces and municipalities has recently evidenced a change in policy approach, in connection with the matter of periodic Investment Report compliance.

(a) **Previous practice**: If any Investment Reports are outstanding at the time of an IRC amendment application being filed, the DOF (or its predecessor authority) would normally issue an official letter to require the enterprise to file the outstanding Investment Reports, within a specified deadline, as a condition precedent to the processing of the IRC amendment application.

(b) **New practice**: The DOF now inclines towards immediate referral of non-compliant enterprises to the Investigations Division of the DOF, when it receives an IRC amendment application from an enterprise who is not up-to-date with its Investment Report filing obligations. Once an enterprise is referred to the Investigations Division, it is normally then only once the applicable penalties have been paid that the DOF will proceed to process the relevant IRC application.

Failure to comply with the applicable Investment Report lodgement obligations attracts the following administrative penalties:

(a) In relation to reports on the status of investment project implementation: Up to VND50 million (approximately USD2,000) and mandatory lodgement of the outstanding reports.

(b) In relation to investment supervision and assessment reports: Up to VND50 million (approximate USD2,000) and mandatory lodgement the outstanding reports.

All enterprises who hold IRCs are strongly encouraged to review the status of their compliance with their Investment Report lodgement obligations, in respect of the entire period commencing upon the date of first issuance of their IRC, up to and including the present. Failure to do so exposes such enterprises to significant delays in the processing of IRC amendment applications, as well as administrative penalties

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Contact us today to learn more about how we can support in Vietnam.

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