# SOME NEW REGULATIONS ON INFORMATION DISCLOSURE AND REPORT ON CORPORATE BOND OFFERING AND TRADING

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On November 6, 2024, the Minister of Finance issued Circular 76/2024/TT-BTC guiding the information disclosure and report on offering and trading privately-placed corporate bonds in the domestic market and offering corporate bonds to the international market (**Circular 76**). This Circular replaces Circular 122/2020/TT-BTC guiding the information disclosure and report according to Decree 153/2020/ND-CP (**Circular 122**) and takes effect from December 25, 2024. The following are some new points of Circular 76 on the information disclosure and reporting on the offering and trading of corporate bonds are as follows:

*Firstly, amending the regulations on the methods of information disclosure by bond-issuing enterprises*. According to Circular 76, bond-issuing enterprises may choose one or several method(s) for disclosing information to bond investors as prescribed in clause 1, Article 6, Circular 76 instead of mandatorily performing all information disclosure methods under clause 1, Article 6, Circular 122. In addition, Circular 76 also abolishes the method of "*Posting on the Corporate Bond Information Portal of Hanoi Stock Exchange*". Thus, there are now only 3 methods of information disclosure, including:

**(i)** Issuing paper-based documents;
**(ii)** Issuing electronic documents;
**(iii)** Posting on the website of the issuing enterprises.

*Secondly, amending the form for information disclosure on offering privately-placed bonds in the domestic market/offering bonds to the international market*. Compared to Annex I of Circular 122, Circular 76 amends and supplements more detailed contents in this form. For example, Annex I, Circular 76 supplements the following contents: (i) Expected duration of the bond offering and bank account number to receive proceeds from the bond offering (Section II. Information on the offering, Part 1);

(ii) Practice of the issuance and use of capital for outstanding bonds (specific to each type of bonds) and auditors/reviewers' opinions on financial statements according to legal provisions (Section I. Information on the issuing enterprise, Part 3); (iii) Criteria to select strategic investors for the issuance of convertible bonds and bonds with warrants, Responsibilities of bond-issuing enterprises (Section II. Information on the bond offering, Part 3).

*Thirdly, supplementing the forms in Annex III related to periodic information disclosure of issuing enterprises*. Accordingly, Circular 76 supplements 2 forms: (i) Form No. 3.4 - Report on the use of proceeds from bond issuance for outstanding bonds and (ii) Form No. 3.5 - Information disclosure on the implementation of commitments to bond investors. In which, Form No. 3.4 includes such main contents as information on the use purpose of the proceeds from the bond issuance, the situation of using the proceeds from the bond issuance, and the progress of disbursing proceeds from the issuance of outstanding corporate bonds. Form No. 3.5 covers information on the actual implementation of information disclosure obligations and other commitments along with specific explanations, applied for each outstanding bond code.

## COMMENTS AND RECOMMENDATIONS

The promulgation of Circular 76 aims to specify the provisions on information disclosure and report on corporate bond offerings and transactions in Decree 153/2020/ND-CP and Decree 65/2022/ND-CP, control corporate bond trading activities more strictly, enhance transparency in bond transactions as well as support competent organizations and agencies in state management of bond transactions through expanding the scope of subjects required to disclose and report information and regulating the disclosure and report contents more specifically. Enterprises need to update and study the provisions of Circular 76 to conduct corporate bond offerings and transactions in accordance with the provisions of the law.