



nhquang&associates
Advancing legal progress and social equity

LAW ON ENTERPRISES (AMENDED) 2025

BENEFICIAL OWNER – IMPORTANT NOTES FOR ENTERPRISES FROM JULY 1, 2025

NHQuang&Associates

TABLE OF CONTENTS

1	Enterprises required to disclose their beneficial owners' information	4	Subjects in charge of implementing contents relating to beneficial owners
2	Criteria for identifying beneficial owners	5	Information of beneficial owners and information for identifying beneficial owners to be declared, notified, and retained
3	Obligation to declare and notify information for identifying beneficial owners	6	Time for declaring, notifying, and retaining beneficial owners' information and information for identifying beneficial owners

1. Enterprises required to disclose their beneficial owners' information

1.1. Enterprises obliged to declare, notify, and retain **beneficial owners' information** with the provincial business registration office:

Enterprises REQUIRED to comply	Enterprises NOT REQUIRED to comply
<ul style="list-style-type: none">• Single-member limited liability company.• Multiple-member limited liability company.• Joint stock company.• Partnership.	<ul style="list-style-type: none">• State-owned enterprise.• Sole proprietorship.• Listed company.• Company registering securities trading.

1.2. Enterprises obliged to declare, notify, and retain information **for identifying their beneficial owners** with the provincial business registration office:

- Joint stock company.

2. Criteria for identifying beneficial owners

A beneficial owner of an enterprise is a **natural person**, including: the owner of a single-member limited liability company, a member of a multi-member limited liability company, a partner of a partnership, or a shareholder of a joint stock company (hereinafter collectively referred to as an "**Individual Member**"). This Individual Member must satisfy one of the following criteria:

- a. Directly holding 25% or more of the enterprise's charter capital.
- b. Directly holding 25% or more of the enterprise's total voting shares.
- c. Indirectly holding 25% or more of the enterprise's charter capital.
- d. Indirectly holding 25% or more of the enterprise's total voting shares.
- e. Having control over the enterprise.

a) Directly holding 25% or more of the enterprise's charter capital

- ✓ Applicable to limited liability company and partnership.
- ✓ Determined based on the Individual Member's capital holding ratio out of the enterprise's total charter capital.

Example 1: In a limited liability company

Company A is a two-member limited liability company with the charter capital of VND 1,000,000,000. The two members include B and C, wherein:

- B contributes VND 800,000,000, accounting for 80% of the total charter capital.
- C contributes VND 200,000,000, accounting for 20% of the total charter capital.

Conclusion: B is the beneficial owner.

a) Directly holding 25% or more of the enterprise's charter capital (continued)

Company A is a partnership comprising of four members: two general partners (B and C) and two limited partners (D and E). Company A has the charter capital of VND 1,000,000,000, in which:

- * B contributes VND 400,000,000, accounting for 40% of the total charter capital.
- * C contributes VND 300,000,000, accounting for 30% of the total charter capital.
- * D contributes VND 250,000,000, accounting for 25% of the total charter capital.
- * E contributes VND 50,000,000, accounting for 5% of the total charter capital.

Conclusion: B, C, and D are beneficial owners

b) Directly holding 25% or more of the enterprise's total voting shares

- ✓ Applicable only to joint stock company.
- ✓ Determined based on the number of voting shares held by the Individual Member out of the total voting shares of the joint stock company.

Example: Company A is a joint stock company with three shareholders and the charter capital of VND 500,000,000, divided into 500,000 shares, specifically:

- 400,000 ordinary shares, accounting for 80% of the total shares; and
- 100,000 voting preferred shares, accounting for 20% of the total shares.

Crucially, the voting power of a voting preferred share is twice that of an ordinary share (i.e. 1 preferred share = 2 votes; 1 ordinary share = 1 vote)

=> Total voting power is equivalent to 600,000 votes.

The shareholders' voting power is respectively as follows:

- B holds 200,000 ordinary shares, representing **33.34%** of the total voting power.
- C holds 200,000 ordinary shares, representing **33.34%** of the total voting power.
- D holds 100,000 voting preferred shares, representing **33.33%** of the total voting power.

Conclusion: B, C, and D are all beneficial owners.

c) Indirectly holding 25% or more of the enterprise's charter capital

- ✓ Enterprises are not required to disclose information on indirect beneficial owners.
- Indirect beneficial owner: An Individual Member holding the charter capital of an enterprise through another entity. An Individual Member's indirect ownership ratio is determined through the ownership chain by multiplying the ownership percentage at each level of the chain.

Example 1: Individual Member A holds 70% of the charter capital of Company B.

- Company B holds 60% of the charter capital of Company C.
- Company C holds 80% of the charter capital of Company D.

➔ A's indirect ownership percentage in Company C and Company D, respectively, is as follows:

- In Company C: $70\% \times 60\% = 42\%$
- In Company D: $70\% \times 60\% \times 80\% = 33.6\%$

c) Indirectly holding 25% or more of the enterprise's charter capital (continued)

Example 2: Determining indirect beneficial owners through multiple ownership layers

- Layer 1: Individual Member A owns 100% of Company B → Company B owns 40% of Company X.
- Layer 2: Individual Member A owns 40% of Company C → Company C owns 50% of Company D, and Company D owns 30% of Company X.

Calculation of A's indirect ownership ratio in Company X:

- From Layer 1: $100\% \times 40\% = 40\%$
- From Layer 2: $40\% \times 50\% \times 30\% = 6\%$

➔ Individual Member A's total ownership at Company X is **$40\% + 6\% = 46\%$** .

d) Indirectly holding 25% or more of the enterprise's total voting shares

- ✓ Enterprises are not required to disclose information on indirect beneficial owners
- ✓ Indirect beneficial owner: An Individual Member holding a number of voting shares of an enterprise through another entity. The indirect ownership ratio through the ownership chain is determined by multiplying the ownership percentages at each level.

The method for determining indirect ownership through the total voting power holding is similar to the aforementioned case of charter capital ownership.

e) Having control over the enterprise

- Control over an enterprise manifests as **the decision-making power in one of the following matters:**
 - Appointment, removal, or dismissal of a majority or all members of the Board of Directors, the Chairman of the Board of Directors, the Chairman of the Member Council; the Legal Representative, the Director or General Director;
 - Amendment or supplement to the enterprise's charter;
 - Change of the corporate governance structure;
 - Corporate reorganization or dissolution.
- An individual's control over the enterprise means that, without his/her approval, any decision on the aforementioned matters cannot be adopted even if it has met the approval threshold as stipulated in the enterprise's charter.

e) Having control over the enterprise (continued)

- Control over the enterprise can be exercised through various forms, such as private agreements among members (e.g., members' or shareholders' agreements), agreements obtained through business/market reputation, or control held by a founding shareholder/an advisor.
- **NOTE:** *Enterprises are responsible for self-determining the individuals with control pursuant to point b, clause 1, Article 17 of Decree No. 168/2025/NĐ-CP and must declare and notify the business registration office. The business registration office does not require enterprises to submit any records or documents to evidence a beneficial owner identified through control.*

e) Having control over the enterprise (continued)

Example 1: Control demonstrated through a veto right

Company A, a joint stock company, has three shareholders (B, C, and D) and the charter capital of VND 500,000,000, divided into 500,000 ordinary (voting) shares. The shareholding proportion is as follows:

- B holds 250,000 ordinary shares, representing 50% of the total voting power.
- C holds 200,000 ordinary shares, representing 40% of the total voting power.
- D holds 50,000 ordinary shares, representing 10% of the total voting power.

The shareholders have entered into a shareholders' agreement which stipulates that any resolution by the General Meeting of Shareholders concerning corporate reorganization can only be passed with D's consent.

- ➔ Based solely on voting power, B (50%) and C (40%) are beneficial owners, as they both exceed the 25% threshold.
- ➔ However, the agreement grants D a veto right over key corporate decisions. This right constitutes "control" over the enterprise, which means D is also a beneficial owner.

e) Having control over the enterprise (continued)

Example 2: Control demonstrated through decision-making power

Company A is an enterprise with three members (B, C, and D) and the charter capital of VND 2,000,000,000. The rate of capital contribution is as follows:

- B holds VND 1,000,000,000, representing 50% of the total charter capital.
- C holds VND 900,000,000, representing 45% of the total charter capital.
- D holds VND 100,000,000, representing 5% of the total charter capital.

D is a founding member and the holder of the company's business secrets. Since the company's establishment, and based on a private agreement among the three members, D has held the unilateral power to select and appoint the company's Director without requiring the consent by B and C.

=> Based solely on capital ownership, B (50%) and C (45%) are beneficial owners, as their ownership exceeds the 25% threshold.

=> Based on the right to appoint the Director (Private Agreement): D's exclusive power to appoint the Director - a key management position - constitutes effective "control" over the enterprise. Therefore, D is also a beneficial owner.

3. Obligation to declare and notify information for identifying beneficial owners

A joint stock company (JSC) must disclose the following information to the provincial business registration office:

- Information on any corporate shareholder that holds 25% or more of the total voting power.
- The voting power percentage is calculated as follows: % Voting Power = (Number of votes held by the corporate shareholder) / (The company's total number of votes)
- Example:
JSC A has three shareholders:
 - *An individual shareholder holding 20% of the total voting power.*
 - *A corporate shareholder holding 30% of the total voting power*
 - *A corporate shareholder holding 50% of the total voting power.*

➔ The company must disclose the information of the two corporate shareholders for the purpose of identifying the beneficial owners.

4. Subjects in charge of implementing contents relating to beneficial owners

Subjects in charge of declaring, notifying beneficial owners' information :	Subjects in charge of declaring, notifying information for identifying beneficial owners :
<ul style="list-style-type: none">• The founders of an enterprise are responsible for declaring beneficial owners' information at the time of company establishment.• The enterprise is responsible for notifying any subsequent changes to its beneficial owners' information during the course of operation.	<ul style="list-style-type: none">• The founders of a joint stock company (JSC) are responsible for declaring information on corporate shareholders holding 25% or more of the total voting power at the time of company establishment.• A JSC, except for listed companies and companies registering for securities trading, is responsible for notifying any changes to the information on its corporate shareholders that hold 25% or more of the total voting power during the course of operation.

5. Information of beneficial owners and information for identifying beneficial owners to be declared, notified, and retained

a) Beneficial owners' information to be declared and notified:

- Personal information, including: (i) Full name, (ii) Date of Birth, (iii) Gender, (iv) Number, date of issue, and issuing authority of a legal ID document (e.g., passport, national ID card); or the Personal Identification Number, (v) Nationality, (vi) Ethnicity and (vii) Contact Address.

NOTE: “Nationality” and “Ethnicity” is not required if the “Personal Identification Number” is provided.

- **Percentage of voting shares held (Applicable to JSCs):**

Percentage of voting share held = (Total voting shares held by the beneficial owner) / (Total voting shares of the JSC)

5. Information of beneficial owners and information for identifying beneficial owners to be declared, notified, and retained (continued)

- Information on the right to control, which includes the control over the approval of at least one of the following matters:
 - i. Appointment, removal, or dismissal of a majority or all of the members of the Board of Directors, the Chairman of the Board of Directors, the Chairman of the Member Council; the Legal Representative, the Director or General Director;
 - ii. Amendment or supplement to the enterprise's charter;
 - iii. Change of the corporate governance structure;
 - iv. Conducting corporate reorganization or dissolution.

5. Information of beneficial owners and information for identifying beneficial owners to be declared, notified, and retained (continued)

- When declaring, supplementing, or updating beneficial owners' information (including beneficial owners identified through capital holding and those identified through the right to control), enterprises must complete Form No. 10 (see below). In the column of "Control" of the form (Column 11), the particular type of control must be specified according to the control rights listed in the previous slide.

Mẫu số 10

DANH SÁCH CHỦ SỞ HỮU HƯỚNG LỢI CỦA DOANH NGHIỆP

STT	Họ và tên	Ngày, tháng, năm sinh	Giới tính	Số, ngày cấp, cơ quan cấp Giấy tờ pháp lý của cá nhân ¹	Quốc tịch	Dân tộc	Địa chỉ liên lạc	Chủ sở hữu hướng lợi của doanh nghiệp ²			Ghi chú (nếu có)
								Tỷ lệ sở hữu vốn điều lệ	Tỷ lệ sở hữu cổ phần có quyền biểu quyết ³	Quyền chỉ phái ⁴	
1	2	3	4	5	6	7	8	9	10	11	12

....., ngày tháng năm

NGƯỜI ĐẠI DIỆN THEO PHÁP LUẬT/
CHỦ TỊCH HỘI ĐỒNG THÀNH VIÊN/
CHỦ TỊCH HỘI ĐỒNG QUẢN TRỊ CỦA CÔNG TY
(Ký và ghi họ tên)⁵

5. Information of beneficial owners and information for identifying beneficial owners to be declared, notified, and retained (continued)

b) Information to be declared, notified for **identifying beneficial owners**:

- Information on corporate shareholders holding 25% or more of a JSC's total voting shares, including: (i) Name of the entity; (ii) Enterprise Code or Establishment Decision number; (iii) Date of issue; (iv) Issuing body and (v) Head office address.
- Information on the number of voting shares held by the corporate shareholder that possesses 25% or more of the JSC's total voting shares.

Voting share holding (%) = (Number of voting shares held by the corporate shareholder) / (The JSC's total voting shares)

5. Information of beneficial owners and information for identifying beneficial owners to be declared, notified, and retained (continued)

When declaring, notifying the information for identifying beneficial owners, enterprises must complete Form No. 11 (see below).

Mẫu số 11

DANH SÁCH ĐỂ XÁC ĐỊNH CHỦ SỞ HỮU HƯỚNG LỢI CỦA DOANH NGHIỆP

(Dành cho Công ty cổ phần kê khai cổ đông là tổ chức sở hữu từ 25% tổng số cổ phần có quyền biểu quyết trên)

STT	Tên tổ chức	Mã số doanh nghiệp/ số QĐ thành lập	Ngày cấp	Nơi cấp	Địa chỉ trụ sở chính	Tỷ lệ sở hữu cổ phần có quyền biểu quyết ¹	Ghi chú (nếu có)
1	2	3	4	5	6	7	8

....., ngày.....tháng.....năm.....
NGƯỜI ĐẠI DIỆN THEO PHÁP LUẬT/
CHỦ TỊCH HỘI ĐỒNG QUẢN TRỊ CỦA CÔNG TY
(Ký và ghi họ tên)²

5. Information of beneficial owners and information for identifying beneficial owners to be declared, notified, and retained (continued)

c) **Beneficial owners' information** to be retained:

- Information to be retained: All information that has been declared, notified to the provincial business registration office (The enterprise's list of beneficial owners)
- Form of retention: In paper or electronic form.

6. Time for declaring, notifying, and retaining beneficial owners' information and information for identifying beneficial owners

a) For enterprises established **before** July 1, 2025:

- The enterprise must supplement its beneficial owners' information and information for identifying beneficial owners **at the same time** with the next procedure of registering or notifying any change to the business registration contents **from July 1, 2025**.
- Should the enterprise wish to supplement the information earlier, it may perform the procedure to supplement beneficial owners' information and information for identifying beneficial owners separately, even when there are no changes to its business registration.

6. Time for declaring, notifying, and retaining beneficial owners' information and information for identifying beneficial owners (continued)

- Changes to beneficial owners' information and information for identifying beneficial owners are notified upon any change in the course of operation, specifically:
 - Notifying changes to beneficial owners' information and information for identifying beneficial owners **at the same time** with registering or notifying any change to the enterprise's business registration content.
 - In the event of changes in beneficial owners' information only without any other amendments to the business registration content, the enterprise, at its discretion, may either **perform a separate procedure** to update and supplement such information; or do this **at the same time with the next procedure** for registering or notifying any change to its business registration content.

6. Time for declaring, notifying, and retaining beneficial owners' information and information for identifying beneficial owners (continued)

b) For enterprises established **on or after** July 1, 2025

- The **founder of the enterprise** must declare beneficial owners' information and information for identifying beneficial owners **at the time of company establishment**.
- The enterprise must notify any **change** to its beneficial owners' information and information for identifying beneficial owners that occur **during its course of operation**, specifically:
 - The notification of such change must be made **concurrently** with registering or notifying any change to the enterprise's business registration content.
 - In the event that only beneficial owners' information changes and there is no other adjustment to the business registration content, the enterprise, at its discretion, may either **perform a separate procedure** to notify the updates and supplements to its beneficial owners' information; or make the notification **concurrently with the next procedure** for registering or notifying any change to its business registration content.

THANK YOU!

NHQuang&Associates

Website: www.nhquang.com

Blog: www.vnlawfind.com.vn

