NOTABLE REGULATIONS ON ENTERPRISE REGISTRATION UNDER DECREE 296/2026/ND-CP

NGUYEN THI MAI LAN

On July 23, 2026, the Government issued Decree 296/2026/ND-CP (**Decree 296**) amending and supplementing a number of articles of Decree 168/2025/ND-CP on enterprise registration (**Decree 168**). Decree 296 was issued to streamline administrative procedures and implement the recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes under the Organization for Economic Co-operation and Development (**OECD**), and to address the difficulties and obstacles that arose during the implementation of Decree 168. In this Legal Newsletter, NHQuang&Associates will analyze some notable new points of Decree 296 that directly affect enterprises.

Firstly, Decree 296 has expanded the method of identifying the "*beneficial owner of an enterprise*" by supplementing the definition and clarifying the criteria for determining the individual who ultimately owns/controls the enterprise in practice. Specifically:

- "*Beneficial owner of an enterprise*" means one or more individuals who directly or indirectly own or ultimately control an enterprise in practice, excluding individuals representing State capital. This definition clarifies the economic substance of the concept rather than merely listing identification criteria that were not clearly identifiable under Decree 168.
- Based on the above definition, the scope for determining beneficial owners has also been expanded in three specific respects: **(i)** the concept of "indirect ownership" has been broadened to include ownership over charter capital or shares through other legal arrangements (not limited to ownership through another organization as provided in Decree 168), while also allowing the aggregation of direct and indirect ownership rates for the purpose of calculating the 25% threshold; **(ii)** where a group of individuals with family relationships or under an agreement jointly holds 25% or more, all individuals in the group are determined as beneficial owners of the enterprise; and **(iii)** for partnerships, all general partners are automatically deemed beneficial owners, regardless of their proportion of capital contribution or voting rights.

- The criterion of the right to control certain important matters of an enterprise (such as appointing or dismissing key personnel; amending the Charter; changing the organizational structure; deciding financial, investment and operational policies; reorganizing or dissolving the enterprise) may only be used to determine a beneficial owner where: (i) no individual satisfies the criterion of owning 25% or more, or (ii) there are grounds showing that an individual holding 25% ownership is not the beneficial owner of the enterprise.
- Where no individual satisfies the criterion of ownership or actual control set out in points (ii) and (iii) above, the beneficial owner is determined to be the enterprise's manager who holds the highest authority to act on its behalf, except where that individual represents State capital in the enterprise.

Secondly, Decree 296 supplements a number of provisions on temporary suspension of business operations. To realize one of the OECD's recommendations, the Decree provides that the total consecutive period of business suspension must not exceed 24 months, and requires the enterprise's legal representative to confirm the resumption of business operations and to commit that all enterprise registration obligations have been fully performed, which must be submitted to the provincial business registration authority within 5 working days from the end of the notified suspension period. In the case that an enterprise fails to submit this report to the provincial business registration authority within 6 months from the report deadline, the authority will revoke the enterprise registration certificate, and the enterprise must then carry out dissolution procedures under Article 65 of Decree 296.

At the same time, the Decree also adds a provision on the obligation of enterprises and household businesses to register or notify changes to their enterprise registration information as required, where such information changes during the suspension period, pursuant to clause 2, Article 30 and clause 2, Article 31 of the Law on Enterprises. This provision helps to make the information on enterprises' registration status public and transparent, even when these enterprises suspend their business operations.

Thirdly, Decree 296 has amended and supplemented a number of principles to address difficulties arising in practice and to ensure transparency, clarity and consistency in resolving enterprise registration procedures, including:

- Supplementing the responsibility of owners, shareholders and members of a company to fully comply with the provisions on contributed capital assets under clause 2, Article 34 of the Law on Enterprises, and not to hold capital contributions on behalf of any other persons. This helps to increase the responsibility of owners, shareholders and members for the legality of contributed capital assets, and adds a basis for preventing the practice of holding capital contributions on others' behalf, thereby increasing the transparency of information on capital contributors.
- Simplifying the required application documents (for example, copies of Enterprise Registration Certificate, Tax Registration Certificate, Investment Registration Certificate, etc.) where the business registration authority is able to access and use the information already available on the National Business Registration Database and other specialized databases.
- For State-owned enterprises in which the State holds 100% of the charter capital, replacing the requirement for a "resolution or decision of the company owner, or a document appointing an authorized representative of an organizational owner" with a "document issued by the organization or individual with authority under the law on management and investment of State capital in enterprises and other relevant laws".

In addition to the above, Decree 296 also provides for a number of other important matters relating to the reorganization of communal business registration authorities under the two-tier local government model; the reduction of time for handling a number of enterprise and household business registration procedures from 3 to 2 working days; certain transitional and other implementing provisions. This Decree 296 takes effect from the date of issuance, July 23, 2026. Thus, should Clients and readers wish to learn more about the provisions of Decree 296 or any legal issues arising in the course of enterprise registration, NHQuang&Associates remains ready to accompany and provide advisory support.