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LEGAL NEWSLETTER

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NEWLY ISSUED LEGAL DOCUMENTS

1. Regulations on criteria and principles for determining if an enterprise is a large-scale one that must have their annual financial statements audited

On April 14, 2025, the Government issued Decree No. 90/2025/ND-CP ("**Decree 90/2025**") amending and supplementing a number of articles of Decree No. 17/2012/ND-CP ("**Decree 17/2012**") detailing and guiding a number of articles of the Law on Independent Audit. Decree 90/2025 takes effect from the date of signing, i.e. April 14, 2025, with notable additional contents on criteria and principles for determining if an enterprise is a large-scale one that must have their annual financial statements audited.

Large-scale enterprises must have at least 2 out of 3 criteria as follow:

- (1) The average annual number of employees participating in social insurance (SI) is over 200.
- (2) The total annual revenue is over VND 300 billion.
- (3) The total assets must be worth of over VND 100 billion.

Enterprises that meet the criteria for large-scale enterprises in 2024 will be required to audit their financial statements from 2025.

Enterprises that do not meet the criteria for large-scale enterprises for 2 consecutive years will not be required to conduct mandatory audits until they meet the prescribed criteria again.

2. New regulations on peer-to-peer lending mechanism

On April 29, 2025, the Government issued Decree No. 94/2025/ND-CP ("**Decree 94/2025**") regulating the Controlled Testing Mechanism in the banking sector for the implementation of new products, services, and business models through the application of financial technology solutions ("**Fintech solutions**") applicable to 3 groups of Fintech solutions: (i) credit scoring; (ii) data sharing via open application programming interface (Open API); and (iii) peer-to-peer (P2P) lending.

Decree 94/2025 will take effect from July 1, 2025 with notable regulations on the peer-to-peer lending testing mechanism.

According to Article 3 of Decree 94/2025, P2P lending solutions are understood as information technology application solutions provided by P2P lending companies to connect information and support contract signing on a digital platform between customers who are borrowers and lenders. In which, a P2P lending company is a financial technology company (Fintech company) that provides P2P lending solutions to customers. Customers are organizations and individuals who have contractual relationships and directly use the Fintech solution of organizations participating in the P2P lending mechanism.

Customers using P2P lending solutions provided by P2P lending companies may include lenders and borrowers who are

2.1 What is P2P lending?

individuals with Vietnamese nationality and legal entities established in accordance with the Vietnamese law.

The currency used in P2P lending solutions is Vietnam Dong.

2.2 Time, space and scope of testing

- **Testing period:** maximum 02 years from the date of issuance of the Certificate of Participation in the Testing Mechanism (Certificate) by the State Bank of Vietnam (SBV). The testing period can be extended 02 times, each extension not exceeding 01 year.
- **Testing space:** limited to the territory of Vietnam, cross-border testing is not allowed.
- **Scope of testing:** within the scope specified in the Certificate issued by the SBV and not allowed to conduct other business activities, not allowed to provide security measures for customer loans, operate as a customer or provide P2P lending solutions for pawnshops.

2.3 Conditions for participating in the P2P lending mechanism of Fintech companies

Article 11 of Decree 94/2025 stipulates that Fintech companies registering to test P2P lending solutions will be considered for a Certificate when meeting the following conditions:

a) Legal status of the entity

Being an enterprise legally established and operating in Vietnam; not being an enterprise with foreign investment

capital; not in the process of division, separation, consolidation, merger, conversion, dissolution, or bankruptcy as prescribed by law;

b) Capacity and qualifications of the legal representative

- The legal representative, General Director (Director) of the company must be a Vietnamese citizen; whose criminal records are clear; who have not been administratively sanctioned for violations in the fields of finance, banking, and cybersecurity; not concurrently being the owner or manager of a business providing financial or banking services, operating pawnshops, or conducting multi-level marketing; not being the owner of a rotating savings and credit association, or not being a member of the Board of Directors, a member of the Board of Members, a member of the Board of Supervisors, a General Director (Director), a Deputy General Director (Deputy Director) and equivalent positions of a credit institution, a branch of a foreign bank, or an organization providing intermediary payment services;
- The legal representative, General Director (Director) of the Company must have a university degree or higher in one of the following fields: economics, business administration, law, information technology and have at least 02 years of experience as a manager or operator of an organization in the field of finance and banking and must not fall into one of the subjects prohibited by law;

c) Conditions on human resources, facilities, and techniques

- The information technology system and information storage system must be located in Vietnam, operate safely and continuously, and the backup technical system must be independent of the main system to prevent interruptions in case of incidents, especially technical and technological incidents.
- Data and information of all customers and related parties must be updated, stored, and shared on a highly secure digital platform, ensuring transparency and openness among participating parties, but at the same time, the information of participating parties must be kept confidential from unrelated parties as prescribed by law.
- Test and evaluate the information technology system before putting it into operation.
- A team of technical staff with professional qualifications in the relevant field to ensure the system operates safely and continuously.

d) Conditions on the peer-to-peer lending solutions

P2P lending solutions selected to apply in the pilot mechanism must satisfy the following criteria:

- It is a solution with technical and operational content that current legal regulations do not provide

specific and clear guidance for implementation and application;

- It is an innovative solution that brings benefits and added value to service users in Vietnam, especially solutions that support and promote the goal of financial inclusion;
- It is a solution in which a risk management framework has been designed and set up, limiting negative impacts on the banking - monetary - foreign exchange activities; a plan has been developed to handle and overcome risks that occur during the pilot process; a plan has been developed to protect consumer rights;
- It is a solution that has been fully reviewed and evaluated by the organization participating in the Testing Mechanism in terms of operation, function, utility, and usefulness;
- It is a feasible solution that can be supplied to the market after completing the testing process.
- Has measures to identify and manage the maximum outstanding balance for a borrower participating in the peer-to-peer lending solution provided by the organization, report and exploit instant information about the borrower at the National Credit Information Center of Vietnam to ensure compliance with regulations on the maximum outstanding balance for a borrower participating in all the P2P lending solutions in the Testing Mechanism;

- Disbursement, payment of loans, interest, and fees for customer transactions participating in peer-to-peer lending solutions must be made through the customer's payment account at a credit institution, foreign bank branch, or the customer's e-wallet at the organization providing intermediary payment services;
- Measures must be put in place to ensure that the contract term between the borrower and the

lender using the peer-to-peer lending solution participating in the Testing Mechanism does not exceed 02 years.

Note: The organization granted the Certificate must implement the peer-to-peer lending solution within 90 days from the date of issuance. After 90 days, if it is not implemented (*except in case of force majeure*), the SBV will consider stopping the testing and revoking the Certificate.

3. **Novelties on issuance of domestic deposit certificates by credit institutions**

On April 29, 2025, the State Bank of Vietnam issued Circular No. 02/2025/TT-NHNN ("**Circular 02/2025**") regulating the issuance of domestic deposit certificates by credit institutions and foreign bank branches ("**CIs**"), replacing Circular No. 01/2021/TT-NHNN ("**Circular 01/2021**"). Circular 02/2025 will take effect from June 16, 2025 with noteworthy new points as follows:

3.1 **CIs are allowed to issue deposit certificates electronically**

Circular 02/2025 allows CIs to directly issue deposit certificates to the buyers themselves at legal transaction locations within the domestic network of the issuing CIs (transaction location) or by electronic means. The issuance of deposit certificates electronically is demonstrated through the certification of deposit certificate ownership in the electronic environment.

3.2 **Methods of issuing and paying for deposit certificates electronically**

According to Article 16 of Circular 02/2025, the transfer of money to purchase and receipt of payment for deposit certificates will be made through the buyer's own payment account at the CIs, or through the payment account of the buyer at the State Bank for buyers who are credit institutions.

CIs must ensure to include at least the details of the deposit certificate as prescribed by law and provide a technical solution for buyers to confirm that they have read all the contents of the deposit certificate.

3.3 **CIs must provide at least one method for buyers to look up information about the purchased deposit certificate**

Article 13 of Circular 02/2025 stipulates that CIs must provide at least one method for buyers to look up information about the purchased deposit certificate and must notify buyers when there is a change in information about the deposit certificate they have purchased. In addition, CIs and buyers can agree on other methods for information look-up.

Information related to the issuance, payment of deposit certificates, use of deposit certificates as collateral (if any) and transfer of ownership of deposit certificates must be stored by CIs as prescribed by law to meet the requirements of buyers in checking and verifying information about deposit certificates and resolving disputes.

3.4 Regulations on issuance, transfer of ownership of and payment for deposit certificates for non-residents and foreigners

Articles 9.4, 12.2 and 14.4 of Circular 02/2025 adds a number of regulations related to the issuance, transfer of ownership of and payment for deposit certificates for non-residents who are organizations, individuals and residents

who are foreigners when purchasing deposit certificates. Specifically:

- ***Issuance of deposit certificates:*** CIs are only allowed to issue deposit certificates at the transaction location for the buyer himself. This means that CIs are not allowed to issue electronic certificates of deposit to non-residents or foreigners.
- ***Procedures for receiving transfer of ownership of deposit certificates:*** carried out directly at the transaction location of the issuing CIs.
- ***Payment for deposit certificates:*** if the buyer purchases a deposit certificate in cash, the CIs may only pay the principal and corresponding interest in cash.



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Global Vietnam Lawyers would like to introduce our valued readers to an article by Lawyer Dinh Quang Thuan titled **“Decree 174/2024/ND-CP: Stricter Regulations and the Need for Insurance Companies to Adapt”** published on Chambers and Partners site on April 15, 2025.

The issuance of **Decree 174/2024/ND-CP** by the Government marks a significant step forward in the regulation of the insurance industry in Vietnam. With stricter enforcement measures, the decree not only aims to enhance **transparency and fairness in the insurance market** but also imposes more stringent requirements on **insurance companies, brokers, and agents**. To mitigate legal risks and ensure sustainable growth, businesses must swiftly grasp and adapt to these key regulatory changes.

One of the most notable aspects of the decree is that, beyond corporate compliance, the decree also tightens regulations on **insurance agents and brokers**. In recent years, cases of **agents misleading customers by providing false promises of benefits** have undermined public trust in the market. To address this, **Decree 174/2024/ND-CP** mandates that **insurance companies assume direct responsibility for the actions of their agents**. This means that **insurers can no longer delegate responsibility without oversight** but must

instead implement **strict recruitment, training, and monitoring mechanisms** to ensure compliance in all agent-related activities.

Additionally, the decree introduces **stricter requirements on contract transfers and dispute resolution** within the insurance sector. Some companies have previously sought to evade **claims obligations or transfer insurance contracts without regulatory approval**. To rectify this, the new decree mandates that **any contract transfer must adhere to full legal procedures and safeguard customer rights**. Non-compliance could result in fines of up to **VND 100 million**, with potential **temporary suspension of business operations**.

Another crucial regulatory update pertains to **mandatory insurance**, particularly **motor vehicle liability insurance**. Under the new decree, **insurance companies are prohibited from refusing to sell mandatory insurance if customers meet all eligibility criteria**. Any unwarranted denial or delay in providing these policies

could result in fines ranging from **VND 30 to 50 million**, in addition to reputational damage for the insurer. This forces non-life insurance companies to **reassess their sales processes to ensure compliance with legal requirements while maintaining service efficiency**.

While these regulatory changes present challenges, they also provide insurance companies with an opportunity to **strengthen their internal processes, enhance professionalism, and improve customer service**.

Strengthening **internal control mechanisms, closely monitoring agent activities, and ensuring transparency in claims processing** will not only help businesses **avoid legal risks** but also **build long-term customer trust**.

At the same time, technological advancements offer new opportunities for **risk management and regulatory compliance**. Insurance companies can leverage digital solutions to **enhance operational efficiency, detect fraudulent activities early, and streamline claims processing**. This trend not

only optimizes internal workflows but also enhances competitiveness in an increasingly regulated market.

Ultimately, Decree 174/2024/ND-CP is not

merely a regulatory enforcement tool—it represents a crucial step toward establishing greater discipline and accountability in Vietnam’s insurance industry. Insurance companies

must quickly adapt to these changes, not only to ensure compliance but also to seize opportunities for sustainable growth in the evolving market landscape.



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1. Deduction of personal income tax from the advance of a severance allowance applicable to foreign employees

In case the Company pays severance allowance to employees in accordance with the subjects and levels prescribed by the Labor Code and the Law on Social Insurance, this income will not be included in the income subject to personal income tax (PIT) from the employee's salary and wages according to the guidance in Article 2.2(b.6) of Circular No. 111/2013/TT-BTC. In case the severance allowance to employees is higher than the level prescribed by the Labor Code and the Law on Social Insurance, it must be included in the taxable income.

In case the Company advances severance allowance to employees, the Company shall aggregate it with salaries and wages to deduct personal income tax before paying to employees according to the instructions in Article 25 of Circular No. 111/2013/TT-BTC.

Tax Department of Region I replies to the question of Vietgazprom Joint Venture Operating Company in Official Letter No. 12044/CCTKV01-QLDN5 dated May 5, 2025.

2. Tax policy on business trip expenses

In case the Company has a lump sum for business trip expenses for employees to serve the Company's production and business activities as stipulated in the Company's internal policy:

Regarding PIT: the lump sum for business trip expenses in cash for employees who actually go on business trips as prescribed in Article 2.2(dd.4) of

Circular 111/2013/TT-BTC will not be included in the taxable income of the employee.

Regarding corporate income tax: If the lump sum for business expenses meets the conditions in Article 4 of Circular 96/2015/TT-BTC guiding corporate income tax, amending and supplementing Article 6 of Circular 78/2014/TT-BTC (amended and supplemented in Article 6.2 of Circular 119/2014/TT-BTC and Article 1 of Circular 151/2014/TT-BTC), it will be included in deductible expenses when calculating corporate income tax.

Tax Department of Region XVI replies to the question of Triumph International Vietnam Co., Ltd. in Official Letter No. 5142/CCTKV.XVI-QLDN2 dated May 5, 2025.

3. Declaring value added tax for construction activities outside the province

Taxpayers (Construction companies outside the province) who are contractors for construction works in other provinces than the place where their head office is located shall declare and pay value added tax outside the province at the tax rate of 1% as prescribed in Article 13 of Circular No. 80/2021/TT-BTC. In case the taxpayer (Construction company outside the province) conducts business activities in many other provincial-level localities where the taxpayer has its head office and meets the conditions under Article 11.2(c) of Decree No. 126/2020/ND-CP, it is not required to submit the Table of tax payable allocation.

Tax Department of Region XVIII replies to the question of Dinh Phu My Coconut Co.,

Ltd. in Official Letter No. 1393/CCTKV18-QLDN2 dated April 29, 2025.

4. Offsetting overpaid personal income tax

In case the Company has an arising overpaid tax amount from the PIT final payment, it will be offset from the tax amount payable in the next period with the same economic content (sub-item) and the same budget collection area as the overpaid amount.

In the case of the 2024 PIT final payment, the Company has an overpaid tax amount of the payment authorizing individual, it will be offset from the tax payable in the next period. If there is any surplus, the Company does not have to provide the "Detailed List of PIT amounts paid on behalf of" because there are no tax payment supporting documents.

Tax Department of Region XVI replies to the question of Bibica Mien Tay One Member Co., Ltd. in Official Letter No. 783/CCTKV17-QLDN1 dated May 8, 2025.



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1. Expected areas to apply regional minimum wage after merger

Recently, in the draft Decree on decentralization of state management tasks in the field of home affairs, the Ministry of Home Affairs proposes that the Government decentralize among the Provincial People's Committees to decide on the selection of commune-level areas in the province to specifically apply the regional minimum wage for employees working under labor contracts.



Illustration: Ha Quan

Accordingly, the Provincial People's Committee will rely on the specific socio-economic conditions of each commune and ward for selecting and deciding the application of a specific regional minimum wage for the commune and ward. The application must ensure that the minimum wage in the locality of grassroots administrative unit is not lower than the minimum wage corresponding to the locality prescribed by the Government annually.

The list of areas to apply the minimum wage from July 1 is expected to be as follows:

Region I and Region II: communes and wards in Hanoi.

Region I, Region II and Region III: Communes and wards in Ho Chi Minh City and Hai Phong City.

Region II, Region III and Region IV: communes and wards in the provinces of Bac Ninh, Ninh Binh, Hung Yen, Phu Tho, Lao Cai, Thai Nguyen, Thanh Hoa, Nghe An, Quang Tri, Khanh Hoa, Lam Dong, Vinh Long, Dong Thap, An Giang, Ca Mau and the cities of Hue, Da Nang and Can Tho.

Region I, Region II, Region III and Region IV: communes and wards in the provinces of Quang Ninh, Dong Nai and Tay Ninh.

Region III and Region IV: communes and wards in the provinces of Tuyen Quang, Cao Bang, Dien Bien, Lai Chau, Son La, Lang Son, Ha Tinh, Quang Ngai, Gia Lai and Dak Lak.

Most recently, from July 1, 2024, Decree 74/2024/ND-CP of the Government has adjusted the monthly minimum wage to increase by 6%, with the following levels: Region I is VND 4.96 million, Region II is VND 4.41 million, Region III is VND 3.86 million, Region IV is VND 3.45 million.

During this period, the minimum wage was periodically adjusted with an average increase rate of 5.96%/year. The average salary of salaried workers increased by an average of 6.57%/year, contributing to improving the lives of workers.

By dantri.com.vn

2. Ho Chi Minh City proposes allowing investors to pay money instead of allocating land for social housing construction

The Ho Chi Minh City People's Committee has just proposed that the Standing Committee of the Party Committee of the City People's Committee approve the proposal of the Department of Construction, allowing commercial housing project owners not to allocate 20% of the project land for social housing construction. Instead, investors can contribute money equivalent to the value of that land or arrange social housing in other locations.



Ho Chi Minh City proposes removal of obstacles for social housing land funds in commercial projects. Photo: LE VU

According to the Department of Construction, the Housing Law 2023 and Decree 100/2024 allow three forms of social housing services including land allocation in the project, land in other

areas or paying money and the choice of specific options is decided by the People's Committee. Currently, the regulation requiring the development of social housing in commercial housing projects no longer exists.

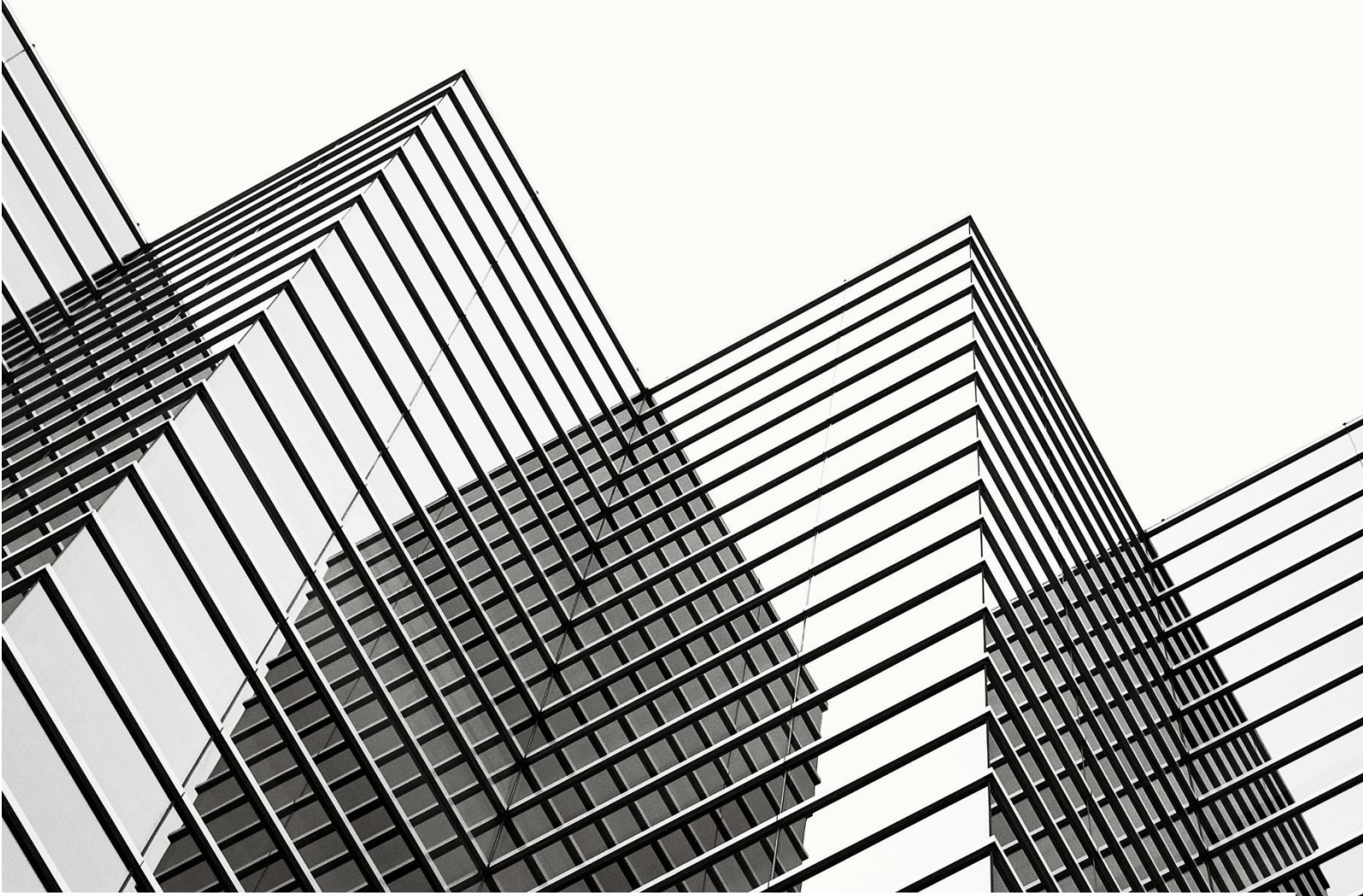
Ho Chi Minh City with its special urban characteristics requires social housing to be apartment buildings, built according to projects, in accordance with planning regulations, connected to technical and social infrastructure, meeting the needs of beneficiary policies.

To solve difficulties and ensure transparency in determining social housing obligations in commercial housing projects, the Department of Construction proposes allowing investors to fulfill their obligations by paying a corresponding amount of 20% of the residential land area value for infrastructure investment.

This is applied in such cases as zoning 1/2000 without apartment building land; detailed planning 1/500 with only one or more blocks of apartment building adjacent to the base block or 20% of the land not large enough to be divided into independent projects.

By thesaigontimes.vn

No.	Document name	Issuance date	Effect-ive date
NATIONAL ASSEMBLY			
1	Resolution No. 194/2025/QH15 on amending and supplementing a number of articles of the 2013 Constitution.	May 5, 2025	June 19, 2025
GOVERNMENT			
1	Decree No. 102/2025/ND-CP regulating medical data management.	May 13, 2025	July 1, 2025
2	Decree No. 97/2025/ND-CP stipulates preferential mechanisms and policies for the National Innovation Center.	May 5, 2025	May 5, 2025
3	Decree No. 94/2025/ND-CP stipulating the Control Testing Mechanism in banks.	April 29, 2025	July 1, 2025
4	Decree No. 93/2025/ND-CP amending and supplementing a number of articles of Decree No. 19/2020/ND-CP on inspection and disciplinary actions in the enforcement of legal provisions on handling of administrative violations.	April 26, 2025	June 15, 2025
5	Decree No. 90/2025/ND-CP amending and supplementing a number of articles of Decree No. 17/2012/ND-CP detailing and guiding the implementation of a number of articles of the Law on Independent Audit.	April 14, 2025	April 14, 2025
PRIME MINISTER			
1	Decision No. 11/2025/QD-TTg promulgating the Regulation on waste incident response.	April 23, 2025	June 10, 2025
MINISTRY OF INDUSTRY AND TRADE			
1	Circular No. 23/2025/TT-BCT amending and supplementing a number of articles of Circular 05/2018/TT-BCT regulating the origin of goods and Circular 38/2018/TT-BCT regulating the implementation of the certificate of origin of goods under the general tariff regime of the European Union, Norway, Switzerland and Turkey.	May 5, 2025	May 5, 2025
MINISTRY OF FINANCE			
1	Circular No. 20/2025/TT-BTC amending and supplementing a number of articles of Circular 51/2021/TT-BTC guiding the obligations of organizations and individuals in foreign investment activities in the Vietnamese securities market.	May 5, 2025	May 5, 2025
2	Circular No. 19/2025/TT-BTC regulating the registration of public companies, cancellation of public company status, and audited reports on contributed charter capital.	April 26, 2025	May 5, 2025
3	Circular No. 18/2025/TT-BTC amending and supplementing a number of articles of Circular No. 119/2020/TT-BTC on regulations for registration, depository, clearing and settlement of securities, and Circular No. 96/2020/TT-BTC guiding the disclosure of information on the securities market, which had a number of articles amended and supplemented under Circular No. 68/2024/TT-BTC .	April 26, 2025	May 5, 2025
MINISTRY OF HEALTH			
1	Circular 09/2025/TT-BYT promulgating National Technical Regulations - Permissible exposure limit values for 70 chemical elements in the workplace.	April 28, 2025	October 1, 2025
STATE BANK OF VIETNAM			
1	Circular No. 02/2025/TT-NHNN prescribing the domestic issuance of deposit certificates by credit institutions and foreign bank branches.	April 29, 2025	June 16, 2025



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