GLOBAL VIETNAM LAWYERS

LEGAL ALERT

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Obligations of Representative Offices to Declare, Update, and Retain Information on the Legal Owner and Ultimate Beneficial Owners of their overseas parent companies

To assist our Valued Clients and Representative Offices in proactively reviewing and ensuring timely compliance with the **latest tax administration regulations in Vietnam**, GV Lawyers is pleased to provide this legal update on ***Decree No. 252/2026/ND-CP, which provides detailed regulations on, and measures for the implementation of, certain provisions of the Law on Tax Administration***. The Decree takes effect from 1 July 2026.

BRANCHES AND REPRESENTATIVE OFFICES OF FOREIGN ENTERPRISES MUST DECLARE INFORMATION ON THE UBOs OF THEIR PARENT COMPANIES

A key new development under Decree No. 252/2026/ND-CP, which provides guidance on the implementation of the Law on Tax Administration, is that, for **the first time**, it expressly sets out the obligation of branches and representative offices of foreign enterprises operating in Vietnam to declare and retain information on the **Legal Owners and UBOs of their overseas parent companies**.

COLLECTION, VERIFICATION, AND EXCHANGE OF INFORMATION ON LEGAL OWNERS AND UBOs WITH FOREIGN TAX AUTHORITIES

Under Article 63 of Decree No. 252/2026/ND-CP, Vietnamese tax authorities may collect, verify, and exchange information in accordance with tax treaties, international tax agreements to which Vietnam is a member or signatory, and the standards of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

In particular, under the exchange of information upon request by foreign tax authorities, the scope of information that may be exchanged is not limited to taxpayer information, but may also include:

- Information on Legal Owners;
- Information on UBOs;
- Banking information;
- Accounting information; and
- Other information relevant to tax administration.

In addition to the Exchange of Information on Request mechanism, Decree No. 252/2026/ND-CP specifies two other information exchange mechanisms, namely Automatic Exchange of Information and Spontaneous Exchange of Information. Accordingly, Automatic Exchange of Information applies to Country-by-Country Reports, financial account information of persons or entities that are non-tax residents in Vietnam under the applicable reporting standards, crypto-asset reports, and other reports required under tax treaties or international tax agreements to which Vietnam is a party.

DECLARATION OF LEGAL OWNER AND UBO INFORMATION OF OVERSEAS PARENT COMPANIES

A significant new requirement is that branches and representative offices of foreign enterprises in Vietnam are required to:

- Declare information on the Legal Owners and UBOs of their overseas parent companies upon initial tax registration; and
- Update such information upon any change in accordance with the regulations on tax registration.

For these purposes:

- A Legal Owner means an organization or individual whose name appears as the owner of capital contributions, shares, or equivalent ownership interests in a company under the laws of the country where the company is incorporated or registered.

- A UBO is determined in accordance with the Law on Anti-Money Laundering, the Law on Enterprises, and their respective implementing regulations.

Accordingly, tax authorities are not concerned solely with the individuals or entities whose names appear as the registered owners of an enterprise, but also seek to identify the persons who ultimately own or control the enterprise in substance.

RETENTION OF UBO INFORMATION

Branches and representative offices are responsible for:

- Maintaining complete records and supporting documents relating to information on Legal Owners and UBOs throughout their operation;

- Providing such information promptly to the tax authorities upon request; and

- Ensuring a minimum retention period of five years from the end of the relevant calendar year or reporting period.

Even after a branch or representative office ceases operations in Vietnam, the tax authorities will continue to retain such information for a minimum period of five years from the calendar year in which the branch or representative office ceases its operations.

The identification of Ultimate Beneficial Owners (UBOs) is increasingly becoming an important requirement in tax administration, reflecting Vietnam's commitment to international standards on anti-money laundering and corporate transparency, particularly with respect to multinational enterprises.

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