

Vietnam News Brief*

An update on investment regulations

22 April 2009

CAP ON FOREIGN INVESTMENT IN PUBLIC JOINT STOCK COMPANIES

Decision No. 55/2009/QĐ-TTg, issued by the Prime Minister on 15 April 2009, confirms that the maximum percentage which foreign investors can hold in public joint stock companies is 49% (subject to certain exceptions).

According to the Law on Securities, a “public company” means one of the following:

- (i) a company that has made a public offer of shares;
- (ii) a company that has shares listed on the Stock Exchange or a Securities Trading Centre; or
- (iii) a company that has shares owned by at least 100 investors, excluding professional securities investors, and which has paid-up charter capital of 10 billion Vietnamese dong or more.

Hence a public company may either be a listed company or a non-listed company.

For the purposes of this Decision, foreign investors include, inter alia, Vietnam based companies which are more than 49% foreign owned.
