Client Update: Vietnam
2020 APRIL

Antitrust & Competition Practice

Recent Legal Developments in Vietnam

New merger thresholds

The Decree No.35/2020/ND-CP guiding the Competition Law was issued on 24 March 2020 and expected to take effect from 15 May 2020.

The Law on Competition regulates four alternative criteria for assessment of merger notification obligation, including thresholds of combined relevant market share, domestic assets, domestic sales or purchasing turnover and transaction value, but it does not specify the figures to assess these criteria. The specific thresholds are now provided in this Decree No.35/2020/ND-CP.

Specifically, Decree No.35/2020/ND-CP provides the specific thresholds for general cases, as well as those for 3 special businesses including credit institutions, insurance companies, and securities companies, as follows:

No.	Criteria	All businesses (excluding insurance, securities and credit institutions)	Insurance companies	Securities companies	Credit institution
1.	**Domestic assets**	The total assets of a participating company or the group of affiliate companies of which such company is a member on Vietnam market were at least **VND 3,000 billion** (approx. USD 130 million) in the preceding fiscal year.	The total assets of a participating insurance company or the group of affiliate insurance companies of which such insurance company is a member on Vietnam market were at least **VND 15,000 billion** (approx. USD 650 million) in the preceding fiscal year.	The total assets of a participating securities company or the group of affiliate securities companies of which such securities company is a member on Vietnam market were at least **VND 15,000 billion** (approx. USD 650 million) in the preceding fiscal year.	The total assets of a participating credit institution or the group of affiliate credit institutions of which such credit institution is a member on Vietnam market were at least **20%** of the total assets of the credit institution system on Vietnam market in the preceding fiscal year.

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2.	**Domestic sales or purchasing turnover**	The total sales turnover or purchase turnover of a participating company or the group of affiliate companies of which such company is a member on Vietnam market was at least **VND 3,000 billion** (approx. USD 130 million) in the preceding fiscal year.	The total sales turnover or purchase turnover of a participating insurance company or the group of affiliate insurance companies of which such insurance company is a member on Vietnam market was at least **VND 10,000 billion** (approx. USD 430 million) in the preceding fiscal year.	The total sales turnover or purchase turnover of a participating securities company or the group of affiliate securities companies of which such securities company is a member on Vietnam market was at least **VND 3,000 billion** (approx. USD 130 million) in the preceding fiscal year.	The total sales turnover of a participating credit institutions or the group of affiliate credit institutions on Vietnam market were at least **20%** of the total turnover of the credit institution system in the preceding fiscal year.
3.	**Transaction value** *(only applied to onshore transactions)*	The transaction value of the intended merger is at least **VND 1,000 billion** (approx. USD 43 million).	The transaction value of the intended merger is at least **VND 3,000 billion** (approx. USD 130 million).		The transaction value of the intended merger is at least **20%** of the total charter capital of the credit institution system in the preceding fiscal year.
4.	**Combined relevant market share**	The combined relevant market share of the participating companies is **at least 20%** in the preceding fiscal year.			

There is no guidance on whether there are requirements for notification of transactions falling under the thresholds above but having been completed after the new Law on Competition entered in force in July 2019 but before the effective date of this Decree 35/2020/ND-CP.

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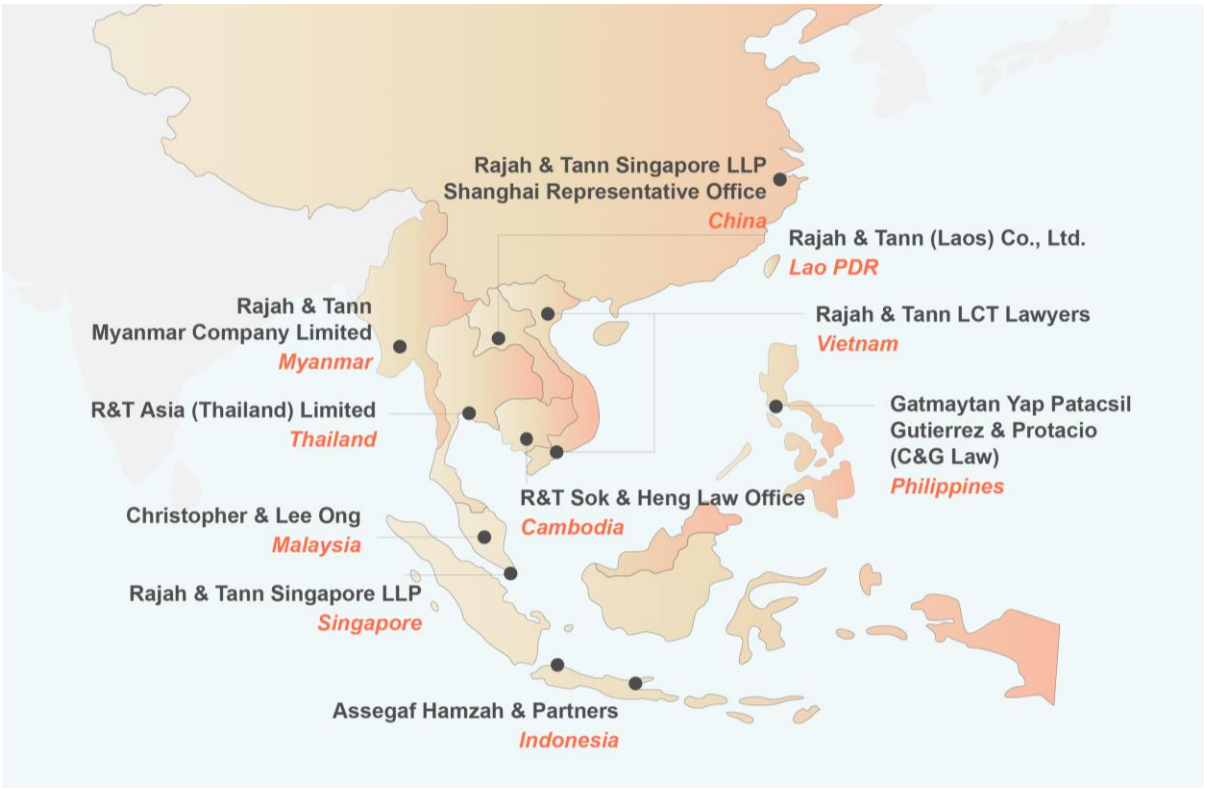

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