

**PRIME MINISTER**

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

No. 55/2009/QĐ-TTg

*Hanoi, date 15 April, 2009*

**DECISION**

**On the foreign investors' participation rates in Vietnam's securities market**

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**THE PRIME MINISTER**

- Pursuant to the Law on Organization of the Government dated 25 December 2001;
- Pursuant to the Enterprise Law dated 29 November 2005;
- Pursuant to the Investment Law dated 29 November 2005;
- Pursuant to the Securities Law dated 29 June 2006;
- Pursuant to Decree No. 139/2007/ND-CP dated 5 September 2007 detailing the implementation of a number of articles of the Enterprise Law;
- Pursuant to Decree No. 108/2006/ND-CP dated 22 September 2006 detailing and guiding the implementation of a number of articles of the Investment Law;
- At the proposal of the Minister of Finance,

**DECIDES:**

**Article 1.** In this Decision, foreign investors shall include the following organizations and individuals:

1. Organizations established and operating in accordance with foreign laws and their subsidiaries in foreign countries and in Vietnam;
2. Organizations established and operating in Vietnam with the foreign parties' capital contributing rates of more than 49%;
3. Investment funds and securities investment companies with the foreign parties' capital contributing rates of more than 49%;
4. Foreign individuals not having Vietnamese nationality but residing in foreign countries or in Vietnam.

**Article 2.** Foreign investors who purchase and sell securities in Vietnam's securities market shall be entitled to hold:

1. With respect to shares: no more than 49% of the total shares of a public joint stock company.

Except as otherwise expressly provided in the specialized laws, provisions of the specialized laws shall prevail. Where the foreign parties' ownership ratios are classified subject to the list of specific business lines, then the ownership ratios in the list of classification shall apply.

2. With respect to public investment fund certificates: no more than 49% of the total investment fund certificates of a public securities investment fund.

3. With respect to public securities investment companies: no more than 49% of the charter capital of a public securities investment company.

4. With respect to bonds: the issuer may provide limits on the shareholding ratio for its outstanding bonds.

**Article 3.** Foreign securities trading organizations shall be entitled to establish securities companies and fund management companies in Vietnam as follows:

1. Only foreign securities trading organizations shall be entitled to make capital contributions and purchase shares for establishment of securities companies. The foreign parties' capital contributing ratio shall be of no more than 49% of the charter capital.

2. Only foreign securities trading organizations having professional operations for management of securities investment funds and foreign insurance organizations shall be entitled to make capital contributions and purchase shares for establishment of fund management companies. The foreign parties' capital contributing ratio shall be of no more than 49% of the charter capital.

**Article 4.** This Decision shall be of full force from 01 June 2009 and replace Decision No. 238/2005/QĐ-TTg of the Prime Minister dated 29 September 2005. Where the provisions of Article 1 of this Decision apply and in case of any excess of foreign ownership limit resulting from the application of the new definition of foreign investors, applicable foreign investors can maintain their current ownership proportion and only allowed to sell securities of such companies.

**Article 5.** The Minister of Finance shall provide guidelines for the implementation of this Decision. The Heads of Ministerial-level agencies, the Heads of Government bodies, the Chairmen of People's Committees of provinces and cities under Central Authority, the Chairmen of Boards of Management, General Directors of State Corporations and relevant organizations and individuals shall be responsible for the implementation of this Decision.

**THE PRIME MINISTER**

*(Signed and sealed)*