



DESIGNATED BANK ACCOUNTS FOR FOREIGN INVESTMENT INFLOWS

Foreign investments are typically classified as either direct or indirect. From the outset of foreign investment attraction, the Vietnamese government has established a framework to supervise and manage foreign capital inflows for both types. One key component of this framework is the banking account systems. In particular, an Indirect Investment Account (IIA) is used for indirect investments, while a Direct Investment Capital Account (DICA) is designated for direct investments. Using IIA or DICA primarily depends on the nature of the investments, such as trading securities on stock markets or acquiring capital in non-listed enterprises, as well as guidance periodically issued by the State Bank of Vietnam.

In a recent development, the State Bank of Vietnam issued Circular No. 03/2025/TT-NHNN. While Circular No. 03/2025/TT-NHNN provides for guidance on opening and using bank accounts in Vietnamese

dong for foreign indirect investment (IIA), it also outlines key revisions for DICA. Circular No. 03/2025/TT-NHNN comes into effect on 16 June 2025.

In case of indirect foreign investment, foreign investors will open IIA for the purpose of conducting transactions.

Indirect foreign investment may take the form of securities trading on the Vietnamese stock market, capital contributions to non-listed enterprises (but not falling within circumstances subject to DICA regime as below), or the entrustment of Vietnamese dong-denominated funds to fund management companies.

Notably, in an effort to attract foreign investment into the stock markets, the banking procedures have been streamlined under the new Circular:

- Foreign documents must be notarized; however, legalization is no longer required.
- Translation of foreign documents into Vietnamese may not be necessary subject to guidance from the banks.
- Certain eligible foreign investors may be allowed to open additional IIAs linked to the securities codes issued to them, e.g. foreign securities companies, foreign investment funds, etc. The IIAs must be opened at one licensed bank.



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In case of foreign direct investment, such as investment into non-listed enterprises in Vietnam as below mentioned, the relevant enterprises will open DICA.

DICA will be used for the purpose of capital transactions, such as capital contribution by foreign investors, declaration of dividends to foreign shareholders, overseas foreign loans, etc.

Enterprises	Time span	Foreign shareholding ratio				
		Less than 50%	50%	More than 50 % ~ Less than 51%	51%	More than 51%
Newly established enterprises having capital contributions from foreign investors	Before, on and after 16 June 2025	Enterprises will open DICA				
Existing enterprises owned by foreign investors due to capital contribution, capital acquisition, division, separation, merger or consolidation	Before 16 June 2025				Enterprises will open DICA	Enterprises will open DICA
	On and after 16 June 2025			Enterprises will open DICA	Enterprises will open DICA	Enterprises will open DICA

Notably, under the new Circular, it is required that enterprises in which foreign investors hold more than 50% of capital will open DICA, instead of from 51% in the past.

Accordingly, the new Circular also provides for a transition period of 12 months from 16 June 2025 so that enterprises in which foreign investors are holding between more than 50% and less than 51% of capital may open DICA for compliance purpose.

Such revision under Circular 03 is for consistency between banking regulations and investment regulations. A principle is that foreign investors will implement the capital contribution/ capital acquisition pursuant to a notice on satisfaction of

conditions for capital contribution/ capital acquisition issued by the investment licensing authorities. Under investment laws, foreign investors, as the case may be, will apply for such notice in case the capital contribution/ capital acquisition results in an increase in foreign shareholding to **more than 50%**.



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