VIETNAM INVESTORS SERVICE

Credit Insights

Vietnam Enforces Corporate Bond Market Reform, Reinforcing Investor Protection and Transparency to Rebuild Market Confidence

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On October 17, 2025, the Government Inspectorate of Vietnam (GIV) issued Conclusion No. 276/KL-TTCP, identifying systemic violations in the corporate bond market spanning 2015 to mid-2023. The report cited capital misappropriation, disclosure lapses, and governance deficiencies across 67 issuers—including banks, large corporates, and smaller unlisted firms.

GIV called on key regulatory bodies—the Ministry of Finance (MOF), the State Bank of Vietnam (SBV), the State Securities Commission (SSC), and the Hanoi Stock Exchange (HNX)—to intensify oversight, enforce compliance, and impose penalties. No new regulatory measures have been announced since.

While GIV's findings attracted public attention, we view them as a continuation of the regulatory tightening already underway since 2023. Recent reforms, including Decree 65/2022/ND-CP, Circular 76/2024/TT-BTC, and amendments to the Securities and Enterprise Laws (Exhibit 1), have introduced more stringent requirements around private issuance, fund utilization, and disclosure.

Issuers are now prohibited from citing vague purposes such as "increasing operating capital" and must report fund usage semi-annually—curbing misuse and enabling more rigorous investor oversight.

However, regulation alone cannot eliminate risk. Misconduct may remain undetected until losses materialize—particularly in Vietnam's corporate bond market, where individual investors hold approximately VND 250 trillion, or 18.1% of total outstanding bonds (Exhibit 2).

Many individual investors rely on promotional materials or advisor recommendations without fully understanding the underlying risks. This highlights the urgent need for enhanced investor education and self-assessment of investment suitability. Beyond fund usage, investors must evaluate issuers' financial health and governance to assess their capacity to meet obligations.

Bond issuance rebounded strongly in the first nine months of 2025, rising 35% year-on-year, with momentum expected to carry into 2026. From early 2023 to September 2025, 237 non-bank bonds were backed by collateral and/or payment guarantees—representing nearly 50% of total non-bank issuances. Yet, information disclosures essential to assessing the quality and market liquidity of collateral assets remain inconsistent, exposing investors to hidden risks.

To strengthen transparency and risk signaling, active engagement with bondholder representatives and credit rating agencies is essential. Vietnam's five licensed domestic credit rating agencies currently cover only 89 issuers and 9 bonds—just 23% of issuers and 0.4% of outstanding bonds. Expanding rating coverage and establishing robust benchmarks will be critical.

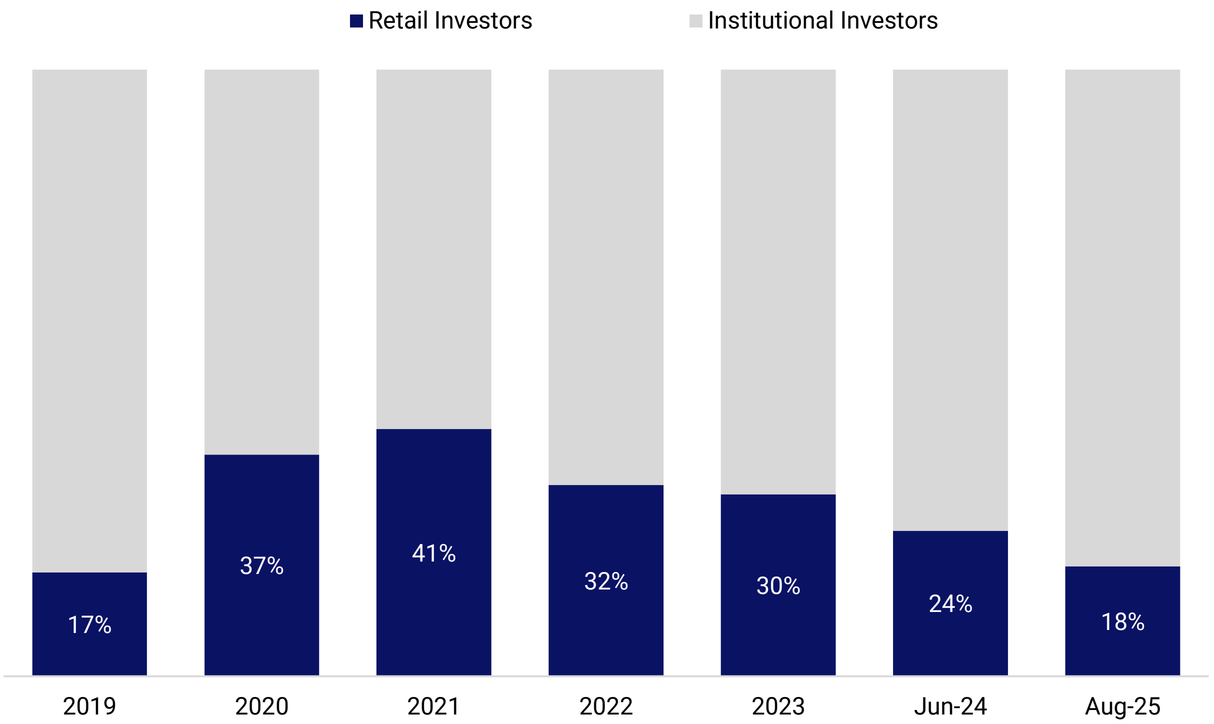
GIV's disclosure serves as a public warning: future misconduct will face consequences. But sustaining market confidence demands more than regulation. Investor vigilance, broader adoption of bond ratings, and infrastructure development are vital to safeguarding bondholders' interests and ensuring long-term market resilience.

Exhibit 1: Regulatory Reforms since 2023 addressing issues highlighted in GIV's conclusion number 276

Issues Needing Resolution are mentioned in the Conclusion of GIV	How the regulation reforms from Decree 65 tackled the issues
Vague and non-specific issuance purposes (e.g., only stating "increasing capital," not specifying the project)	Decree 65/2022/ND-CP removes the non-specific issuance purposes and permits 3 purposes, including project investment, debt restructuring, and specialized purposes stated under specialized laws (e.g. banking, insurance, securities) Circular 76/2024/TT-BTC requires issuers to clearly state the specific issuance purpose on the submitted documents.
Misuse of bond proceeds and untimely disclosure (e.g., credit institutions using medium/long-term bond capital for short-term lending; unauthorized change of use purpose)	Decree 65/2022/ND-CP and Circular 76/2024/TT-BTC require issuers to publicly semi-annual reports on the use of bond proceeds to ensure accountability. Decree 65/2022/ND-CP and Decree 08/2023/ND-CP require at least a 65% bondholder approval rate for bondholders' resolution. For applicable details, referring to the respective terms and conditions.
Collateral assets are unclear or lack detailed information on legality and valuation	Decree 65/2022/ND-CP requires disclosure of detailed information on collateral assets (type, legal status, valuation).
Lack of a mechanism to protect investor rights (difficulty changing bond terms, lack of an independent representative).	Decree 65/2022/ND-CP, Securities Law 2024, and Enterprise Law 2025 all require the Bondholders' Representative for each private bond issuance.
The secondary market is over the counter (OTC), lacking liquidity and price transparency.	Hanoi Stock Exchange establishes the centralized trading platform for the secondary private bond market (operational since July 2023).
Lack of a mandatory Credit Rating mechanism	Decree 65/2022/ND-CP and the Securities Law 2024 mandate credit ratings for corporate bond issuers in Vietnam under specific conditions.

Source: Decree 65/2022/NĐ-CP, Circular No. 76/2024/TT-BTC, VIS Rating

Exhibit 2: Retail Investors contributed a significant share of the outstanding corporate bond market



Sources: Ministry of Finance, HNX, VBMA, VIS Rating

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