

Luther in Vietnam

Newsletter, Issue 08/2026

Content

FOCUS

Temporary Exit Suspension in Vietnam: New Tax Compliance Risks for Businesses and Entrepreneurs 4
Electronic Identification for Foreign Nationals: Key Changes under Decree 320/2026/ND-CP 7
Vietnam's New Enterprise Registration Rules: Strengthening Corporate Transparency and Digital Governance 10
Direct Power, Wider Access: Decree 243 Rewires Vietnam's Direct Power Purchase and Rooftop Solar Framework 14

GENERAL INFORMATION

Contact us 17
Events, publications and blog 18

Dear Readers,

Vietnam's legal framework continues to change at a fast pace. In this edition of our newsletter, we look at four recent developments that affect foreign investors, their management and their employees in Vietnam.

Our first article deals with temporary exit suspension. Decree No. 252/2026/ND-CP and Official Dispatch No. 5622/CT-NVT set out more clearly when the tax authorities may prevent an individual from leaving Vietnam because of unpaid taxes. Legal representatives and beneficial owners can be affected even if the company has no tax debt, for example if it is not operating at its registered address.

The second article explains the new rules on electronic identification for foreign nationals under Decree 320/2026/ND-CP. All foreign nationals who lawfully enter or reside in Vietnam can now obtain a full VNeID account, which can increasingly be used for administrative procedures.

Our third article covers Decree No. 296/2026/ND-CP on enterprise registration. Its most important change is a broader definition of beneficial owners. Companies with several layers of ownership must now trace their ownership up to the natural persons at the top. The Decree also introduces electronic authentication for filings made by authorised representatives and limits business suspensions to 24 months.

Finally, we look at Decree 243/2026/ND-CP, which changes the rules on direct power purchase agreements and rooftop solar. More companies, including data centres, can now buy renewable energy directly, and rooftop solar plants may sell a larger share of their output to the grid.

We hope you find this edition useful. If you have any questions on these or other topics, please feel free to contact us.

Kind regards,

Your Luther Vietnam Team

■ FOCUS

Temporary Exit Suspension in Vietnam: New Tax Compliance Risks for Businesses and Entrepreneurs



I. Introduction

To make tax administration more effective and transparent, Vietnam has been taking measures against enterprises that disappear from their registered address without settling their taxes, particularly where cross-border travel is involved. Vietnam's recent tax administration reforms continue this trend with a more structured framework for temporary exit suspension under Decree No. 252/2026/ND-CP ("**D.252"**), as further clarified by the Department of Taxation of the Ministry of Finance in Official Dispatch No. 5622/CT-NVT dated 5 August 2026 ("**Letter 5622"**).

A temporary exit suspension ("**TES"**) prevents an individual from leaving Vietnam until a tax matter is resolved. It is not a penalty under Vietnam's Law on Tax Administration, but a separate administrative measure that applies only in specific tax-related circumstances. The new framework sets out more clearly when a TES may be imposed and, equally important, when it must be lifted. This allows taxpayers to address compliance issues early and avoid disruptions to their business and travel.

II. Key Considerations for Temporary Exit Suspension

The TES rule applies to individuals where tax obligations in Vietnam have not been fulfilled, either their own or those of a business they are responsible for. This includes entrepreneurs, legal representatives, beneficial owners, foreign individuals[1] and owners of household businesses. If the taxpayer is a company, the TES is imposed on the individuals behind it, in particular its legal representative and, in certain cases, its beneficial owners. Other shareholders and managers are not covered merely because of their position. Under Letter 5622, the procedure works as follows:

i. The tax authority identifies that the taxpayer, for example a company, is not operating at its registered address, has overdue tax debt or both.

ii. It issues an electronic TES notice via the eTax portal and the eTax Mobile app.

iii. The taxpayer settles the outstanding tax liabilities.

iv. The tax authority revokes the TES notice once the payment is confirmed through the banking and tax systems.

Businesses should treat the TES rule as a tax compliance risk for their legal representatives and, where applicable, their beneficial owners. Entrepreneurs and foreign individuals living in Vietnam should settle all Vietnamese tax obligations before travelling abroad to avoid unexpected disruptions.

Set out below are the key conditions, procedures and remedial actions under D.252 and Letter 5622.

1 *A foreign individual means a foreign national who fails to fulfil their personal income tax payment obligations by the prescribed deadline and continues to have outstanding tax liabilities (Article 28.1.d of D.252)*

1. Non-Operational Status Can Trigger a TES Without Overdue Tax Debt

Letter 5622 highlights a significant change for taxpayers whose tax code status shows that they are not operating at their registered address ("**Status 06"**). In this case, a TES may apply to:

- individual businesses,
- household businesses,
- beneficial owners of taxpayers, and
- legal representatives of taxpayers, cooperatives and unions of cooperatives.

If the tax authority confirms that a taxpayer is not operating at its registered address and the taxpayer does not reactivate or close its tax code within 120 days, a TES may be imposed.

Compared with the previous regime, the procedure is now more clearly defined:

- After the tax authority issues a notice that the taxpayer is in Status 06, the taxpayer has **90 days** to regularise its status.
- If no action is taken, the tax authority issues a warning notice of intended exit suspension.
- If the taxpayer still does not reactivate or close its tax code within **the following 30 days**, a TES notice is issued.

Letter 5622 expressly states that this measure applies even if the taxpayer has no outstanding tax debt.

2. Specific Tax Debt Thresholds Apply to Active Businesses

For taxpayers that are still operating, the TES rule continues to focus on substantial overdue tax debt. Under D.252, the following thresholds apply:

For household and individual businesses

- tax debt of VND 50 million or more, and
- the debt has remained overdue for 120 days or more.

For enterprises, cooperatives and unions of cooperatives

- tax debt of VND 500 million or more, and
- the debt has remained overdue for 120 days or more.

Before imposing a TES, the tax authority must first issue **a 30-day warning notice** stating that the measure will apply unless the taxpayer takes corrective action.

3. Foreign Individuals and Vietnamese Living Abroad

D.252 introduces separate rules for:

- foreign individuals,
- Vietnamese citizens leaving Vietnam for permanent residence abroad, and
- Vietnamese individuals residing abroad.

Stricter rules apply to these groups.

If a foreign individual has overdue tax liabilities, the tax authority may issue a TES notice as soon as it determines that these liabilities remain outstanding. No prior 30-day warning notice is required.

Similarly, if Vietnamese citizens emigrating abroad or Vietnamese individuals residing abroad have overdue tax liabilities before departure, the tax authority may issue a TES notice once the relevant conditions are met.

4. Revocation of the TES Notice

Letter 5622 also requires the tax authority to lift a TES promptly once the taxpayer meets the legal requirements.

For taxpayers subject to a TES due to tax debt, the suspension must be lifted when:

- outstanding tax debt falls below VND 50 million for business households and individual businesses, or
- outstanding tax debt falls below VND 500 million for enterprises, cooperatives and unions of cooperatives.

For taxpayers in Status 06, different rules apply:

- If a taxpayer applies to reactivate its tax code, the tax authority may cancel the TES notice after the taxpayer: (i) submits the reactivation request, (ii) files outstanding tax declarations and reports, (iii) fulfils the relevant administrative obligations, and (iv) reduces any remaining tax debt below the statutory threshold. Outstanding tax payments must be made within 30 days of receipt of Notification No. 19.1/TB-ĐKT from the tax authority.
- If a taxpayer applies to close its tax code, the TES notice may be lifted after the taxpayer has completed all tax obligations and the tax authority has confirmed the tax clearance.

For foreign individuals and overseas Vietnamese, the suspension will be removed once the tax authority determines that all outstanding tax obligations have been fulfilled.

The tax authority's systems are expected to complete this process within eight minutes of receiving the payment confirmation from the banking system. The Immigration Department will then process the revocation notice and update its airport systems within approximately five minutes. Once outstanding taxes are paid, a TES should therefore be lifted much faster than under the previous manual procedure.

III. Key Takeaways

For businesses

- Monitor tax debt closely. An exit suspension may affect the legal representative or beneficial owner if overdue tax debt reaches the statutory threshold and remains unpaid.
- Keep tax registration information up to date. A taxpayer classified as not operating at its registered address may trigger an exit suspension even without tax debt.
- Act promptly on notices. The warning period before a TES notice is issued is the opportunity to resolve issues before travel restrictions apply.
- Check the tax debt, the tax code status and any pending registration matters before a legal representative or beneficial owner travels abroad.

For entrepreneurs

- Outstanding tax liabilities can directly affect your ability to leave Vietnam.
- Settle all tax obligations before departure.
- Monitor electronic tax notifications on eTax Mobile and through registered email accounts before departing Vietnam.

IV. How We Can Help

Where an exit suspension risk has already arisen, our tax and legal team can support businesses and individuals in liaising with the authorities, regularising their tax position and having the travel restriction lifted quickly. Our tax and accounting team can also help prevent a TES by monitoring tax filings, tax debt and the tax registration status.

Electronic Identification for Foreign Nationals: Key Changes under Decree 320/2026/ND-CP



I. Introduction

To further digitalise public services, the Vietnamese Government issued Decree 320/2026/ND-CP ("**D.320**") on 13 August 2026. The decree took effect on 28 September 2026 and amends Decree 69/2024/ND-CP (**"D.69**").

D.320 introduces five key changes. It expands who can obtain and use an electronic identification account, shortens processing times and removes the previous distinction between two levels of electronic identification accounts.

II. Background under D.69

Vietnam's electronic identification system enables individuals and organisations to prove their identity in the digital environment. For foreign nationals, the system records personal and biometric information, such as the foreign national identification number, name, date of birth, gender, nationality, passport or international travel document details, facial image and fingerprints.

Once an electronic identification account has been set up, it can be used to identify and authenticate the holder in administrative procedures. In addition, information available through the account may, in certain cases, be used instead of the corresponding physical documents.

These functions are provided through the National Identification Application (**"VNeID**"), which serves as the interface for accessing electronic identification accounts and their functions.

III. Key Changes for Foreign Nationals

1. Removal of the Level 1 and Level 2 Classification

Under D.69, electronic identification accounts were divided into Level 1 and Level 2. A Level 2 account provided access to national databases and enabled full use of the application's functions. A Level 1 account provided access only to identity information and a limited number of functions. For example, a Level 1 account was not sufficient to act as a legal representative. The individual needed a Level 2 account for this.

D.320 removes this distinction entirely. Every account will now be able to access the broader functions previously associated with Level 2 accounts.

2. Expanded Eligibility for Electronic Identification Accounts

Under D.69, only foreign nationals holding a temporary or permanent residence card could obtain an electronic identification account. Furthermore, foreign nationals under the age of six were restricted to a Level 1 account.

D.320 removes both restrictions. Any foreign national who has lawfully entered or resides in Vietnam may obtain an account upon request, regardless of age or residence status.

3. Clearer and More Predictable Processing Timelines

D.320 changes both the processing timelines and the application procedure.

D.69 provided three different processing timelines. The applicable timeline depended on the account level and on whether the applicant's biometric information had already been recorded in the National Immigration Database. Where the biometric information had already been recorded, processing took one working day for a Level 1 account and three working days for a Level 2 account. Where the biometric information had not yet been recorded, processing took seven working days.

As the level distinction no longer exists, D.320 reduces these timelines to two categories:

- Two working days where the foreign national's facial image and fingerprints are already available in the National Immigration Database, or
- Five working days where this biometric information is not yet available.

The application process has also changed. Under D.69, applicants could register for a Level 1 account online through VNeID without visiting the Immigration Department or a provincial immigration authority.

D.320 removes this option. All applications must now be submitted in person at the provincial-level immigration authority.

4. More Comprehensive Use of VNeID for Administrative Procedures

The use of electronic identification accounts for administrative procedures is not entirely new. D.69 already allowed these accounts to be used for administrative procedures and public services. It also recognised information in the electronic identification system as equivalent to the corresponding documents in certain cases.

D.320, however, provides a more specific framework for conducting these procedures electronically. An account holder may use VNeID to create and submit an application for an administrative procedure, which may then be transferred to the National Public Service Portal for processing. The result may subsequently be transferred back to VNeID for notification to the relevant individual or organisation.

D.320 also establishes a communication channel on VNeID through which competent authorities may send notifications and receive comments or recommendations from account holders.

The key change is therefore not that foreign nationals can now use VNeID for administrative procedures. Rather, D.320 expands the existing electronic process and puts it into practice. VNeID thus becomes a more complete channel for submitting applications, receiving results and communicating with the authorities.

5. Broader Integration and Use of Documents on VNeID

Under D.69, information could already be uploaded to electronic identification accounts and accessed through them. D.320 adds automatic synchronisation. Information in electronic identification accounts may now be synchronised with the relevant government databases. For example, if a foreign national's visa information changes during their stay, the data in VNeID may be updated automatically.

Automatic updates are only possible where the issuing authority's database is already connected to the electronic identification system.

For foreign nationals, the documents that may be integrated and updated primarily include:

- passports,
- visas and visa exemption certificates,
- educational diplomas,
- temporary residence cards, and
- permanent residence cards.

Where the relevant database is not connected, the holder may request integration through VNeID. The issuing authority then reviews and approves the request.

D.320 also extends the use of digital data from VNeID in administrative procedures in place of physical documents. VNeID thus evolves from a digital storage space into a document platform that can reduce the need to present physical documents.

IV. Conclusion

D.320 makes electronic identification more accessible for foreign nationals in Vietnam. More foreign nationals may now register for an account, and the removal of the two account levels allows all account holders to make full use of the system's functions.

For foreign employees and their employers, the ability to integrate and use immigration-related documents through VNeID may ease document preparation for administrative

procedures. The ability to submit applications, receive results and communicate with authorities digitally may also reduce reliance on physical documents and in-person interactions.

However, D.320 does not change the underlying immigration and employment requirements. VNeID should therefore be seen as an additional administrative tool, not as a substitute for existing immigration and employment compliance.

V. How We Can Help

We can assist clients in:

- support with VNeID registration,
- immigration compliance advice,
- document integration review, and
- HR team training.

Vietnam's New Enterprise Registration Rules: Strengthening Corporate Transparency and Digital Governance



I. Introduction

On 23 July 2026, the Government of Vietnam issued Decree No. 296/2026/ND-CP ("**D.296**"), amending Decree No. 168/2025/ND-CP on enterprise registration ("**D.168**"). Although many of the amendments are procedural, they are part of the Government's continuing efforts to increase corporate transparency, speed up digital administration and improve the reliability of the information in Vietnam's National Enterprise Registration Database.

The most significant changes are a substantially expanded beneficial ownership regime, new electronic authentication requirements for filings made by authorised representatives, and additional obligations for enterprises that have suspended their business. At the same time, the Decree simplifies certain registration procedures by reducing the documents required and shortening processing times.

For multinational groups and foreign investors, the amendments matter less because they change the legal framework and more because they raise expectations regarding ownership transparency, digital compliance and the accuracy of registration information. Businesses should therefore check whether their governance arrangements, ownership records and registration practices still meet the revised requirements.

II. Key Changes

1. A More Comprehensive Beneficial Ownership Regime

a) Expanded Definition of Beneficial Owners

The most significant reform introduced by D.296 is the complete revision of the beneficial ownership regime. A beneficial owner (often called "ultimate beneficial owner" or "UBO") is the natural person who ultimately owns or controls an enterprise. The amendments substantially expand the rules for identifying these persons, in line with Vietnam's wider aim of greater corporate transparency.

Under the revised regime, a beneficial owner is one or more natural persons who ultimately own or exercise effective control over an enterprise, excluding persons representing State ownership. The Decree no longer focuses only on direct legal ownership. It recognises that effective ownership may also arise through indirect ownership structures, coordinated arrangements between individuals or management rights linked to certain types of enterprise.

The revised Article 17 identifies three categories of beneficial owners.

i) The first category is based on ownership. It covers:

- individuals who hold at least 25% of the enterprise, directly, indirectly or both. The Decree expressly recognises indirect ownership through intermediary entities and other legal arrangements.
- individuals who together hold or control at least this threshold, including family members or persons acting under contractual arrangements.
- all general partners of partnerships, regardless of their capital contribution or voting rights. This reflects their statutory management authority and unlimited liability.

ii) The second category is based on control. It covers individuals who can control or veto key corporate decisions, such as the appointment or removal of key managers, amendments to the charter, changes to the organisational structure, decisions on the enterprise's financial, investment and operational policies, and the reorganisation or dissolution of the enterprise.

iii) The third category applies where no individual **meets** the ownership or control **criteria. In that case,** the beneficial owner is the enterprise manager who has the highest authority to act on behalf of the **enterprise under the Law on Enterprises and the enterprise's charter.**

Enterprise registration in Vietnam is therefore no longer meant only to record a company's direct legal owners. It increasingly aims to identify the natural persons who ultimately own or control an enterprise. This brings the enterprise registration framework closer to Vietnam's wider anti-money laundering and corporate transparency objectives.

b) Practical Implications

The revised regime is likely to have the greatest practical impact on foreign-invested enterprises and multinational groups with several layers of ownership.

In the past, many businesses assessed compliance only on the basis of their direct shareholders. Under the revised framework, enterprises should check whether ownership must be traced through intermediate holding companies or other legal arrangements to identify the natural persons who ultimately own or control the enterprise. Existing analyses prepared for anti-money laundering, sanctions or know-your-customer purposes may be a useful starting point. Businesses should, however, ensure that these analyses also meet the requirements of Vietnam's enterprise registration regime.

The amendments may also affect corporate transactions. As beneficial ownership information becomes more relevant for enterprise registration, purchasers are likely to pay more attention in legal due diligence to the accuracy and completeness of the target company's beneficial ownership records. Sellers should therefore ensure that their internal ownership records meet the revised requirements.

Based on our practical experience, the submission of UBO information under the revised regime results in a written confirmation issued by the licensing authority, rather than merely a declaration filed with the licensing authority, as was previously the case. This development may have implications for businesses seeking to maintain strict confidentiality over their UBO information, particularly where such information is commercially sensitive. Accordingly, businesses wishing to preserve the confidentiality of their UBO information are recommended to submit their UBO declarations separately from other enterprise registration amendments, rather than combining them into a single filing. This approach may help minimise the risk of UBO information being disclosed alongside other corporate registration documents.

c) Outstanding Issues

Although the revised Article 17 provides considerably greater clarity than its predecessor, certain interpretative issues remain unresolved.

In particular, the Decree refers to individuals who "ultimately own or exercise effective control" over an enterprise, but it does not set out clear criteria for when effective control exists independently of the ownership threshold. Likewise, although indirect ownership through legal arrangements is expressly recognised, there is little guidance on how more complex ownership structures should be analysed in practice.

Until further guidance is issued or administrative practice develops, enterprises should take a cautious approach when assessing beneficial ownership. They should also keep records showing how they determined their beneficial owners. This documentation may help to demonstrate reasonable compliance if the authorities later review the enterprise's registration information.

2. Electronic Authentication Becomes Central to Enterprise Registration

Under the revised Article 12, where an enterprise registration application is submitted by an authorised representative, such

as a service provider, both the person granting the authorisation and the authorised representative must complete electronic authentication for a number of significant corporate filings. These include the incorporation of an enterprise and changes to key registration details, such as the legal representative, the company owner, members of limited liability companies, founding shareholders and foreign investor shareholders of non-listed joint stock companies, sole proprietors and general partners.

The Decree also addresses cases where electronic authentication cannot be completed because of technical problems. In such cases, authentication may be completed after the enterprise has been registered. If the person named as the principal later denies having granted the authorisation, the business registration authority may require the enterprise to provide an explanation.

The amendments reflect a broader shift in enterprise registration from checking documents towards verifying digital identities. Foreign investors often appoint local service providers to handle incorporation and post-licensing procedures. They should now plan additional time for coordinating the electronic authentication of the relevant persons.

The amendments are also likely to strengthen regulatory confidence in electronic filings by reducing the risk of unauthorised submissions and improving the reliability of information maintained in the National Enterprise Registration Database.

3. Business Suspension No Longer Suspends Corporate Compliance

D.296 also introduces important changes for enterprises that temporarily suspend their business operations. These amendments confirm that a business suspension only affects commercial activities. It does not release an enterprise from its ongoing corporate compliance obligations.

a) Maximum Suspension Period

For the first time, the Decree limits the maximum consecutive period of business suspension to 24 months. This limit also applies to enterprises that had already registered a suspension before D.296 came into force. Their total uninterrupted suspension period must also stay within the statutory limit.

This amendment ends a long-standing practice under the previous regime, under which some enterprises remained suspended for many years by renewing their suspension notices. Although this practice was generally permitted, it reduced the accuracy of official enterprise records and complicated tax administration and regulatory oversight.

Enterprises will therefore have to decide more clearly whether they will resume operations. Businesses facing temporary commercial difficulties can still use a business suspension. However, enterprises that no longer intend to resume operations may need to consider other options, such as voluntary dissolution.

b) Continuing Registration Obligations During Suspension

D.296 also confirms that an enterprise must keep its enterprise registration information accurate throughout the suspension period. If registrable information changes during the suspension, for example the legal representative or the owners, the enterprise must update its enterprise registration in accordance with the Law on Enterprises.

These amendments are particularly relevant for multinational groups that keep dormant Vietnamese subsidiaries for future investments or internal restructuring.

In the past, a business suspension was a relatively simple way to keep an inactive company. Going forward, businesses should regularly reassess whether continued suspension still makes sense, particularly where inactivity is expected to last longer than 24 months. Where long-term inactivity is expected, other restructuring options may be worth considering.



III. Conclusion

Although D.296 does not fundamentally change Vietnam's enterprise registration regime, it continues the development of the country's corporate regulatory framework towards greater transparency, digital governance and regulatory oversight. Enterprise registration increasingly serves to improve the quality and reliability of the information available to the State.

For businesses operating in Vietnam, the reforms are likely to have the greatest impact on day-to-day corporate compliance rather than on the establishment of new enterprises. Multinational groups and foreign-invested enterprises should review their beneficial ownership analyses, enterprise registration procedures and governance arrangements to ensure that they meet the revised requirements. Although many of the amendments are procedural, early preparation will help to minimise compliance risks and to facilitate future filings in Vietnam's increasingly digital enterprise registration system.

Direct Power, Wider Access: Decree 243 Rewires Vietnam's Direct Power Purchase and Rooftop Solar Framework



I. Introduction

On 26 June 2026, the Government of Vietnam issued Decree 243/2026/ND-CP ("**D.243**"), which entered into force immediately. It amends two cornerstone instruments in the country's renewable energy regime: First, it modifies Decree 57/2025/ND-CP ("**D.57**") concerning direct power purchase agreements ("**DPPA**") between renewable energy generators and large electricity users. Second, it revises Decree 58/2025/ND-CP ("**D.58**") detailing provisions on the development of renewable energy.

D.243 marks a significant shift for foreign investors, lenders, corporate offtakers, and generation companies ("**GENCOs**") involved in Vietnam's renewable energy sector. This includes data centre operators, industrial and hi-tech zone tenants, and rooftop solar developers. The decree expands eligibility for off-grid transactions, removes previous price ceilings, and streamlines the onboarding process for grid-connected transactions.

II. Key Developments and Practical Implications

1. A Broader Participant Base Across Both DPPA Models

- D.243 adds two new groups to the market participants eligible to conclude DPPAs: data centres and electric vehicle charging stations are now explicitly recognised as qualifying large electricity consumers. This resolves an ambiguity in the wording of D.57.
- Licensed electricity retailers operating in specific zones or clusters, such as industrial parks, may now buy electricity from GENCOs and sell it directly to large electricity consumers. To qualify, the retailer must itself invest in a renewable energy generation source, effectively assuming both retail and generation functions.

However, for grid-connected DPPAs, eligibility depends on the zoning. Electricity retailers in urban areas and free trade zones are expressly **excluded**. Investors whose assets are located in both industrial and non-industrial zones should obtain written confirmation of the applicable zone designation before relying on retailer participation.

2. Lower Threshold for Off-Grid Energy Purchases

The consumption threshold for qualifying as a large electricity consumer has been substantially reduced for off-grid DPPAs, where electricity is delivered through a private line rather than the national grid. D.243 leaves the exact threshold to the Minister of Industry and Trade. The implementing circular has lowered the required average monthly consumption from 200,000 kWh to 20,000 kWh for off-grid DPPAs. The 200,000 kWh threshold still applies to purchases via the national grid.

For electricity producers, namely GENCOs and rooftop solar developers, this greatly expands the potential customer base. Customers who did not meet the previous 200,000 kWh threshold should be reassessed.

3. Rooftop Solar: More Surplus, Fewer Constraints

The rules for rooftop solar projects have been relaxed in three ways.

First, a rooftop solar plant designed mainly for self-consumption may now sell a much larger share of its output to the grid. Instead of the previous 20%, producers may now sell up to 50% of their total output as surplus. The cap is meant to prevent commercial solar plants disguised as self-consumption plants. Still, the higher limit gives producers significantly more room when designing such plants. The price for this surplus electricity is based on the average spot market price of the previous year, as published by the National Power System and Market Operator (NSMO). If spot market prices rise sharply, a price cap applies. The price may not exceed the upper limit of the generation price bracket for ground-mounted solar power projects.

Second, where the surplus is sold directly to a licensed retailer in a zone or cluster, the parties may freely negotiate the price without any statutory ceiling. For projects in industrial zones, this is a meaningful commercial change. Negotiated prices will likely follow market rates in practice, but the removal of the ceiling allows tailored commercial structures. These may include take-or-pay arrangements, under which the buyer pays for a minimum volume whether or not it takes the electricity, pricing linked to the contract term, and volume-based tranches.

Third, GENCOs that invest in rooftop solar assets for a direct power purchase transaction are exempt from the standard registration procedure for rooftop solar projects. This reduces the administrative burden and shortens the time to commissioning for GENCO-led rooftop solar projects. This is particularly useful where speed to market matters, mainly for projects targeting corporate buyers in industrial zones.

4. Simplified Grid-Connected Onboarding Procedure

The registration procedure for grid-connected DPPAs has been simplified from seven steps to three:

- **Step 1:** The GENCO and the corporate consumer or eligible retailer sign the power purchase agreement and the related financial contracts.
- **Step 2:** An authorised representative submits a single application package to the NSMO on behalf of all parties.
- **Step 3:** The NSMO reviews the documents, coordinates with the Ministry of Industry and Trade and issues a written notice of participation to the regional power companies, which allows the agreement to take effect.

This change should considerably shorten the time to market for new grid-connected DPPAs.

5. Parallel Amendments to D.58 on Self-Production and Self-Consumption

Consistent with the DPPA changes, the surplus sale cap under the self-produced, self-consumed rooftop solar mechanism regulated by D.58 has also been raised from 20% to 50% of the output measured at the inverter under available solar irradiance. In addition, from 26 June 2026 to 31 December 2030, the parties may agree on a ratio higher than 50% where the local grid at the connection point can absorb the additional output and the arrangement meets the safe operating requirements of the power system.

The higher surplus limit makes rooftop solar projects for self-consumption considerably more profitable. As the old 20% cap no longer applies, businesses should recalculate their project budgets. They can now consider larger solar systems, battery storage and updated grid connection agreements. Where landlord-tenant or park operator-tenant relationships are involved, the lease or service agreements should clarify who receives the revenue from surplus sales, who owns the environmental attributes, such as renewable energy certificates, and how this fits with the park operator's or retailer's own tariffs.

6. Transitional Rules for Existing Contracts and Pending Applications

D.243 keeps instruments issued or signed under the previous rules valid, but allows the parties to move to the new framework by mutual agreement. Specifically:

- DPPAs and surplus electricity sales agreements signed before 26 June 2026 remain valid on their original terms. The parties may negotiate amendments to align them with D.243.
- Registration certificates and official notifications validly issued under Decree 135/2024/ND-CP, D.57 or D.58 before 26 June 2026 remain in force. Any later amendments or adjustments will be processed under D.243.
- Pending rooftop solar registration applications and earlier applications for offshore wind survey permits continue to be processed under the previous rules.

Clients with active DPPA negotiations, contracts approaching renewal or pending applications should decide early whether to stay under the previous rules or to renegotiate under D.243. Where the new framework offers better terms, such as a

higher surplus cap, free pricing for sales to zone-based retailers or the simplified registration procedure, a structured amendment of existing contracts may be preferable.

III. Key Takeaway

D.243 substantially changes the regulatory environment for DPPAs and rooftop solar and considerably lowers the barriers to entry. Considerably more buyers are now eligible for off-grid DPPAs, and the new rules for rooftop solar should make these projects commercially more attractive. The registration procedure for grid-connected DPPAs is simpler and faster. Investors and GENCOs with existing DPPAs or pending applications should review whether the new rules improve their position and, where appropriate, consider renegotiating their current arrangements.

IV. How We Can Help

We can assist clients in:

- DPPA eligibility assessments,
- rooftop solar structuring,
- contract negotiation support, and
- regulatory approval assistance.

■ GENERAL INFORMATION

Contact us



Luther Vietnam Law LL.C.
Suite 25.02 Deutsches Haus 33 Le Duan Boulevard
Sai Gon Ward, Ho Chi Minh City, Vietnam
T +84 2873 0010 73
vietnam@luther-lawfirm.com

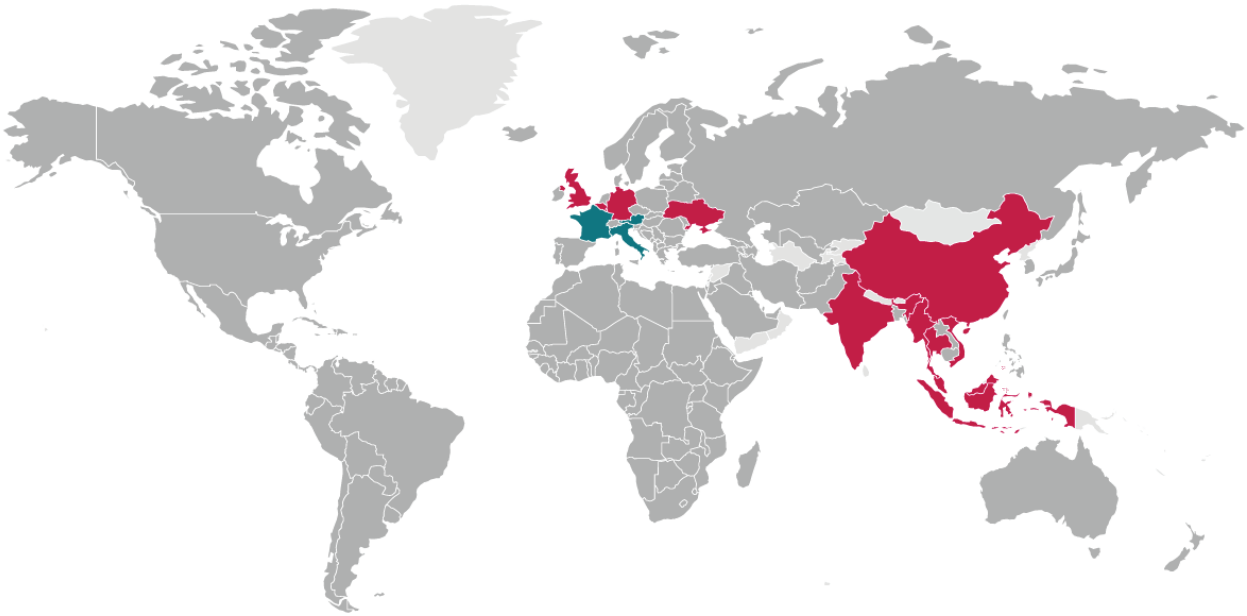
Visit us online

Website
German: click HERE
English: click HERE

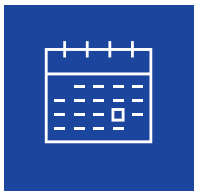
LinkedIn
Luther Vietnam: click HERE

Learn from us:
Subscribe to our monthly newsletters to stay ahead of the curve and acquire invaluable insights into the ever-evolving regulatory framework click HERE

Luther international network



Events, publications and blog



You will find an overview of our events here.



You will find a list of our current publications here.



You will find our blog here.

Legal information

Published by: Luther Vietnam Law LL.C. – a partner firm of Luther.
Suite 25.02 Deutsches Haus 33 Le Duan Boulevard
Sai Gon Ward, Ho Chi Minh City, Vietnam
vietnam@luther-lawfirm.com
Responsible for the content: Luther Vietnam Law LL.C.;
Suite 25.02 Deutsches Haus 33 Le Duan Boulevard
Sai Gon Ward, Ho Chi Minh City, Vietnam
vietnam@luther-lawfirm.com

Copyright: All texts of this newsletter are protected by copyright. You are welcome to use excerpts, provided the source is named, after written permission has been granted by us. Please contact us for this purpose. If you do not wish to receive information from Luther Vietnam Law LL.C. in the future, please send an e-mail with the subject line “Unsubscribe” to **vietnam@luther-lawfirm.com**

Disclaimer

Although this newsletter has been carefully prepared, no liability is accepted for errors or omissions. The information in this newsletter does not constitute legal or tax advice and does not replace legal or tax advice relating to individual cases. Our contact persons at the individual locations are available for this purpose.

Luther.

Bangkok, Berlin, Brussels, Cologne, Delhi-Gurugram, Dusseldorf, Essen, Frankfurt a.M., Hamburg, Hanover, Ho Chi Minh City, Jakarta, Kuala Lumpur, Kyiv, Leipzig, London, Luxembourg, Munich, Shanghai, Singapore, Stuttgart, Yangon

You can find further information at:
www.luther-lawfirm.com
www.luther-services.com

unyer GLOBAL ADVISORS