

## Information Disclosure on the Securities Market

### Summary

On 5 April 2012, the Ministry of Finance (“MOF”) issued Circular 52/2012/TT-BTC providing guidelines on publicising information on the securities market (“Circular 52”). It became effective on 1 June 2012, replacing Circular 09/2010/TT-BTC (15 January 2010) (“Circular 09”).

For the entities subject to its scope, Circular 52 sets out the requirements on information disclosure, the persons authorised to disclose information, the correct media and forms for disclosing information, and guidelines on the frequency and type of disclosures that must be made by each type of entity

Circular 52 sets out stricter regulations for large-scale public companies, which are those companies with charter capital of VND 120 billion or more and with at least 300 shareholders at the time their annual shareholder list is submitted to the securities depository centre each 31st of December

### Entities subject to the disclosure obligations of Circular 52

The following entities in Vietnam must disclose information according to the requirements of Circular 52:

- i. Public companies;
- ii. Issuing organisations;
- iii. Securities companies;
- iv. Fund management companies;
- v. The Stock Exchanges (“SE”);
- vi. Securities depository centers (“SDCs”); and
- vii. Affiliated persons.

### Person authorised to disclose information

A disclosure of information may only be made by the legal representative of the company or by a person

authorised to disclose information. The legal representative is responsible for the substance of the information disclosed by the authorised person

Public companies, issuing organisations, securities companies and fund management companies must register with the SSC and the SE the persons authorised to disclose information. If the company changes their authorised person, it must provide written notice to the SSC and SE at least five working days before the change takes effect.

### Requirements on information disclosure

All disclosures must be complete, accurate and prompt.

If any disclosure of information affects the price of securities, then the legal representative or the person authorised to disclose information must either certify or correct the information within 24 hours from their receipt of the information, or upon receipt of a request from the regulatory authority. The authority may be either the State Securities Commission (“SSC”) or the SE (if it is an entity listed or registered for trading).

All disclosures of information must be accompanied by a simultaneous report to the SSC or the SE, as appropriate.

### Media and forms for disclosing information

Information may be disclosed using any of the following media:

- The annual report, website, and other publication of the disclosing entity;
- The SSC’s information disclosure media, including the report and information disclosure receiving system, SSC website, and other publications of the SSC;

- The SE's information disclosure media, including the report and information disclosure receiving system, SE website, and the SE's electronic display board;
- The VSD's information disclosure media, and its website.

Documents and reports sent to the SSC and the SE must be in written form. If they are sent electronically, they must be accompanied by a digital signature registered according to SSC or SE guidelines.

Companies subject to the disclosure requirements of Circular 52 must set up a website with a special section devoted to information for investors. The website must provide information on the company's charter, internal administration rules, prospectus (if any), and periodical and extraordinary disclosures made according to Circular 52. The website address must be publicly announced and notified to the SSC and SE.

## Conclusion

Circular 52 sets out the requirements for disclosure by each type of entity subject to its guidance. These requirements are summarised in the attached table "Publicising Information on the Securities Market." The guidelines are a step towards improving transparency by developing a comprehensive and organised disclosure system.

## Contact Us

For inquiries related to this Legal Update, please contact the following persons or your usual contacts with our firm.

### John Marsden

Partner

T: + 852 2843 2584

E: [john.marsden@mayerbrownjms.com](mailto:john.marsden@mayerbrownjms.com)

### Kevin Hawkins

Partner

T: + 84 8 3822 8860 x116

E: [kevin.hawkins@mayerbrownjms.com](mailto:kevin.hawkins@mayerbrownjms.com)

### Hoang Anh Nguyen

Partner

T: + 84 8 3825 9775 x101

E: [hoanganh.nguyen@mayerbrownjms.com](mailto:hoanganh.nguyen@mayerbrownjms.com)

### Mai Phuong Nguyen

Partner

T: + 84 8 3825 9775 x108

E: [phuong.nguyen@mayerbrownjms.com](mailto:phuong.nguyen@mayerbrownjms.com)

### Cuong Nguyen

Senior Associate

T: + 84 83 8225 9775 x124

E: [manhcuong.nguyen@mayerbrownjms.com](mailto:manhcuong.nguyen@mayerbrownjms.com)

### Orsolya Szotyory-Grove

Associate

T: + 84 8 3822 8860 x117

E: [orsolya.szotyory-grove@mayerbrownjms.com](mailto:orsolya.szotyory-grove@mayerbrownjms.com)

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## Publicising Information on the Securities Market

Types of entities	Periodic disclosure of information	Extraordinary disclosure	Disclosure on request	Other cases of disclosure
<p><b>Public companies</b></p>	<p><u>Annual Financial Statements:</u> Information about audited annual financial statements must be disclosed within 10 days from the date they are signed. Annual financial statements must be completed not be later than 90 days after the last day of the financial year.</p> <p>Annual financial statements must include the accounting balance sheet, a report on business performance, a cash flow report, and an explanation of the financial statements in accordance with the Law on Accounting.</p> <p>Where a public company is the parent company of another institution, disclosure of annual financial statements must include the statements of the parent company and consolidated financial statements. Where a public company is a superior accounting unit with dependent accounting units, disclosure of annual financial statements must include the statements of the public company and combined financial statements.</p> <p><u>Other Disclosures:</u> Annual reports, reports on corporate management, resolutions of the shareholders' general meetings, and information on securities offers must also be disclosed.</p>	<p><u>24 Hours:</u> Certain special events require disclosure within 24 hours after they occur. Article 8.1 of Circular 52 lists the special events that require extraordinary disclosure by a public company. These events include, for example:</p> <ul style="list-style-type: none"> <li>• suspension of normal business activities;</li> <li>• an announcement regarding redemption of shares;</li> <li>• a decision on rate and payment of dividends; or</li> <li>• a decision on merger or de-merger of enterprises.</li> </ul> <p><u>72 Hours:</u> A decision on establishment, sale, purchase or dissolution of a subsidiary, and a decision to invest in or divest a joint venture or an affiliated company must be disclosed within 72 hours.</p>	<p>Information must be disclosed within 24 hours after receiving a request from the SCC or the SE upon:</p> <ol style="list-style-type: none"> <li>i. the occurrence of an event which seriously affects the lawful interests of investors;</li> <li>ii. disclosure of information which seriously affects the price of securities and requires confirmation.</li> </ol>	

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<p><b>Listing organizations and large-scale public companies</b></p>	<p><u>Annual Financial Statements:</u> Information about audited annual financial statements must be disclosed in the same manner as public companies.</p> <p><u>Semi-Annual Financial Statements:</u> Semi-annual financial statements must be verified by an accepted audit organisation. The verified report must be disclosed no more than 45 days after the end of the first 6 months of the fiscal year. If listing organisations or large-scale public companies are mother companies or superior accounting units with dependent accounting affiliates, combined semi-annual financial statements must be made public within 60 days after the end of the first 6 months of the fiscal year.</p> <p><u>Quarterly Financial Statements:</u> Quarterly financial reports must be released within 20 days from the ending date of the relevant quarter. If listing organisations or large-scale public companies are mother companies or superior accounting units with dependent accounting affiliates, combined quarterly financial statements must be made public within 45 days after the end of the quarter.</p> <p>If after-tax profit reflected on a quarterly report varies by 10% or more from the quarterly report in the same period of the previous year, or if the quarterly business results show losses, then the disclosing entity must provide an explanation.</p>	<p><u>24 Hours:</u> Certain special events require disclosure within 24 hours after they occur. Article 11.1 of Circular 52 lists the special events that require extraordinary disclosure by a listing organisation and by large-scale public companies. These events include, for example:</p> <ul style="list-style-type: none"> <li>• asset losses of 10% or more of equity calculated based on the most recent audited annual or semi-annual financial statements;</li> <li>• an increase or decrease of charter capital; capital contribution valued at 10%;</li> <li>• sale or purchase of assets with a value of more than 15% of the company's total asset value calculated based on the most recent audited annual or semi-annual financial statements; or</li> <li>• a decision to open or close a subsidiary, branch, plant or representative office.</li> </ul> <p><u>72 Hours:</u> An approval to list or de-list on a foreign stock exchange must be disclosed within 72 hours.</p>	<p>Requirements are the same as for public companies.</p>	<ul style="list-style-type: none"> <li>• Disclosure of information about trading by internal shareholders, persons authorised to disclose information, and major shareholders</li> <li>• Disclosure of information about the last registration date to exercise the rights of existing investors</li> <li>• Disclosure of information about the administration of the company</li> </ul>

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<p><b>Issuing organisations making a public offer of bonds</b></p>	<p><u>Annual Financial Statements:</u> Information about audited annual financial statements must be disclosed in the same manner as public companies.</p>	<p>Circular 52 refers to several of the circumstances specified in Article 8 that require extraordinary disclosure by an issuing organisation making a public offer of bonds.</p> <p>The following require disclosure within <u>24 hours</u>:</p> <ul style="list-style-type: none"> <li>• a company bank account is frozen, or is released after having been frozen;</li> <li>• temporary suspension of all or part of business activities;</li> <li>• revocation of a business license;</li> </ul> <p>The following require disclosure within <u>72 hours</u>:</p> <ul style="list-style-type: none"> <li>• a decision on establishment, acquisition, sale or dissolution of a subsidiary company, or a decision on investment or divestment in a joint venture or affiliated company.</li> </ul>		<p>Disclosure of information about public offers of bonds and the progress of using capital raised from a public offer.</p>

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<p><b>Securities companies and fund management companies</b></p>	<p><u>Annual Financial Statements</u>: Information about audited annual financial statements must be disclosed in the same manner as public companies</p>	<p>Certain special events require disclosure within 24 hours after they occur. Article 19 of Circular 52 lists the special events that require extraordinary disclosure by a securities company or a fund management company. These events include, for example:</p> <ul style="list-style-type: none"> <li>• losses of 10% or more of company's asset value;</li> <li>• trading changes the shareholding ownership or capital contribution ownership by 10% or more of the paid up charter capital;</li> <li>• there is a decision on addition to or withdrawal of one or more types of securities business or services; or</li> <li>• the practicing certificate of one of the key managers, such as the general director or director, is revoked.</li> </ul>	<p>Information must be disclosed within 24 hours after receiving a request from the SSC or SE when there is information relating to the company which seriously affects the legitimate interests of investors.</p>	<p>The securities company must disclose information about trading methods, placing orders, transaction deposits, time-limits for payment, trading fees, services which the company provides, and the list of securities business practitioners of the company.</p> <p>When it conducts a deposit transaction, the company must provide a notice of conditions for deposit services, including the requirements on deposit ratios, loan interest rates, loan terms, and the method of making call to a margin trading client to supplement mortgaged assets.</p>

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<b>Public funds and public securities investment companies</b>	Annual asset reports must be disclosed within 10 days from the date the report is audited. The report must be completed not later than 90 days after the last day of the financial year.	Certain special events require disclosure within 24 hours after they occur. Article 23 of Circular 52 lists the special events that require extraordinary disclosure by a fund management company. These events include, for example: <ul style="list-style-type: none"> <li>• there is a decision to change the investment capital;</li> <li>• an offer tranche of investment fund certificates is suspended or rescinded;</li> <li>• there is a decision to consolidate, merge, dissolve or liquidate assets of an investment fund or a public securities investment company; or</li> <li>• the net value of assets of a public fund or a public securities investment company is incorrectly valued.</li> </ul>	Information must be disclosed within 24 hours after receiving a request from the SSC or SE upon the occurrence of one of the following events: <ol style="list-style-type: none"> <li>i. There is a rumor about an offer or the price of a public fund's certificates;</li> <li>ii. There is an abnormal change in the price and volume of transactions of a public fund's certificates.</li> </ol>	
<b>Other applicable entities</b>	The following types of information must be disclosed: <ul style="list-style-type: none"> <li>• Information about transactions in shares of major shareholders and investors owning no less than 5% of the fund certificates of a closed-end public company;</li> <li>• Information about share transactions of founding shareholders during the lock up period when assignments of shares are restricted;</li> <li>• Information about transactions of internal shareholders and internal investors of closed-end public funds;</li> <li>• Information about public offers for purchase; and</li> <li>• Information about transactions in treasury stocks</li> </ul>			

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<b>Vietnam Securities Depository</b>	<p>Information must be disclosed within 24 hours after the occurrence of one of the following events :</p> <ul style="list-style-type: none"> <li>• Issuance, withdrawal of a certificate of depository member or branch of depository;</li> <li>• Issuance of an initial certificate of securities registration or certificate of amendment of securities registration;</li> <li>• Cancellation of securities registration;</li> <li>• Issuance, cancellation or reservation of domestic securities identification number and international securities identification number (ISIN);</li> <li>• Issuance of transaction identification numbers for foreign investors;</li> <li>• Execution of the securities registered at the securities depository centre;</li> <li>• Assignment of ownership of a founding shareholder during the lock up period and special assignments approved by the SSC in writing for realisation outside of the SE;</li> <li>• Other information disclosure upon request by the SSC.</li> </ul>			
<b>SE</b>	<ul style="list-style-type: none"> <li>• The SE must disclose: <ul style="list-style-type: none"> <li>i. Information during trading hours, including closing prices of the previous day's trading, reference prices, and price fluctuations of each class of securities; and</li> <li>ii. Periodic information during trading days, including level of fluctuation of share prices during the trading date, total volume of transactions on the market, and percentage of securities held by foreign investors for each class of securities.</li> </ul> </li> <li>• The SE must also provide information about organisations listed and registering transactions on the SE, information about member securities companies, about fund management companies managing a closed-end public fund/public securities investment company, and about closed-end public funds and public securities investment companies.</li> <li>• The SE is also responsible for providing information about regulatory activities, including information about suspensions of trading and information about penalties for violations of SE regulations.</li> </ul>			