



Shape the future
with confidence

Legal Alert

October 2026

Visit other Alerts [here](#).

Vietnam reshapes foreign investment funding under Circular No. 38/2026/TT-NHNN

Key changes include the opening of investment capital accounts before the issuance or amendment of an Investment Registration Certificate (IRC), the transfer of capital contributions before completion of the corresponding registration procedures, a framework for capital contributions in multiple currencies, clearer grounds for opening and closing investment capital accounts, and the extension of the regulatory framework to International Financial Center (IFC) member enterprises and foreign investors engaged in petroleum activities.

On 31 July 2026, the State Bank of Vietnam issued Circular No. 38/2026/TT-NHNN on foreign exchange management for foreign investment activities in Vietnam (Circular 38). Circular 38 took effect on 18 August 2026 and replaced Circular No. 06/2019/TT-NHNN (Circular 06).

Circular 38 updates the foreign exchange framework to align with the 2025 Investment Law and the new regulations governing the International Financial Centre in Vietnam. In addition to allowing investment capital accounts to be opened before an IRC is issued or amended, Circular 38 permits capital contributions to be transferred before completion of the corresponding registration procedures, introduces a conversion mechanism for contributions made in multiple currencies, clarifies the circumstances in which investment capital accounts must be opened or closed, and extends the framework to certain participants in petroleum activities and IFC member enterprises.

1. Broader regulatory coverage and a unified investment capital account framework

Circular 06 focused on foreign exchange management for direct foreign investment into Vietnam. Circular 38 adopts a broader formulation covering investment from the IFC in Vietnam into the rest of Vietnam. It also replaces the former term “direct investment capital account” with “investment capital account” and uses the investment-law concept of a foreign-invested economic organization.

The covered participants now expressly include IFC member enterprises and certain operators and foreign contractors or investors under petroleum arrangements, in addition to foreign-invested economic organizations, foreign investors, investors participating in business cooperation contracts (BCC) and relevant public-private partnership (PPP) structures.

In practice, affected businesses should first determine whether their structure falls within Circular 38 and identify the entity or investor responsible for opening and operating the relevant investment capital account.

2. Investment capital accounts may be opened before the IRC is issued or amended

Under Circular 06, pre-investment remittances were generally handled through the foreign investor’s payment account and could later be converted into contributed capital or a foreign loan after the relevant investment approval was obtained. Circular 38 introduces a different mechanism for an economic organization established before the issuance or amendment of its IRC. The organization may open one foreign-currency investment capital account and/or one Vietnamese-dong investment capital account at the same licensed bank before the IRC is issued or amended.

During this pre-IRC stage, the account has a restricted purpose. It may be used to:

- Receive charter capital contributions and interest on the account balance
- Pay lawful costs relating to investment preparation in Vietnam
- Return contributed funds if the IRC is not issued or amended

Once the IRC procedure is completed, the account may be used for other transactions permitted under Circular 38.

For new investment structures, this creates a more direct funding route between incorporation and project licensing. Businesses should nevertheless align the remittance description, corporate approvals, contribution schedule and supporting documents with the proposed investment structure, and should confirm the licensed bank’s documentary requirements before funds are transferred.

3. Earlier funding and more flexible multi-currency contributions

Circular 38 expressly permits investors and IFC member enterprises to transfer funds into an investment capital account for a capital contribution, a change in contributed capital or a change in the ownership ratio before the foreign-invested economic organization completes the corresponding registration of increased charter capital or changes in members’ or shareholders’ interests. This addresses sequencing issues that can arise where capital funding and corporate or investment registration steps cannot be completed simultaneously. However, the transfer of funds does not replace the applicable enterprise and investment registration procedures, which must still be completed in accordance with law.

Circular 38 also provides greater currency flexibility. An eligible account holder may open one investment capital account for each foreign currency used, together with a Vietnamese-dong account, at the same licensed bank. Where contributions are made in multiple currencies, the

parties must select one contribution currency stated in the relevant investment documents as the reference currency and use it consistently throughout the contribution process. Amounts are converted using the licensed bank's exchange rate when the funds are credited, and the aggregate converted contribution must not exceed the registered contribution amount.

4. Clearer opening and closing triggers when foreign ownership changes

Circular 38 clarifies the boundary between the investment capital account regime and the indirect investment account regime by using the threshold of foreign investors or IFC member enterprises holding more than 50% of charter capital. Where an ownership increase results in the relevant investors holding more than 50%, the foreign-invested economic organization must open an investment capital account. Conversely, an organization that is subject to the ownership-based account regime must close that account after a transfer or charter-capital change reduces the relevant ownership to 50% or below. The foreign investor may then need to use the indirect investment account framework for subsequent transactions.

Separate closing events apply to an organization established by foreign investors or IFC member enterprises, including where it no longer has any foreign investor or IFC member, the IRC is not issued or amended and the contributed funds have been returned, the organization is dissolved, bankrupt or terminated, or a project transfer changes the originally registered legal entity. An account must also be closed when the organization becomes a public company with listed or registered shares.

Foreign Invested Enterprises planning a capital increase, dilution, exit, internal restructuring or listing should map the expected ownership immediately before and after closing, and coordinate the account transition with the licensed bank so that transaction proceeds follow the correct remittance route.

5. Continued application and extension of the rules on transfer payments and outbound remittances

Circular 38 largely retains the principles under Circular 06 regarding the accounts and currencies used for transfers of capital and investment projects, as well as outbound remittances of capital, profits and other lawful income. The key changes primarily extend these principles to IFC member enterprises and petroleum-related transactions. In particular:

- For transfers of shares or contributed capital in a foreign-invested economic organization, payments between a resident and a non-resident (and/or IFC member enterprises) must be made through the investment capital account. In contrast, payments between two non-residents, between two residents, between IFC member enterprises, or between an IFC member enterprise and a non-resident are not required to pass through this account.
- For transfers of investment projects, the applicable payment route depends on the specific rules governing BCCs, PPP projects and petroleum contracts. The appropriate payment account should therefore be determined by reference to the transaction type and the residence status of the parties.
- Regarding the pricing and payment currency, a transaction between two non-residents may be priced and settled in foreign currency. Except for specific rules applicable to certain petroleum-related transactions, transactions between a resident and a non-resident, or between residents, must be priced and settled in Vietnamese dong.
- For capital, profits and other lawful income, outbound remittances must generally be made through the applicable investment capital account, subject to specific exceptions. If a foreign investor does not remit these amounts abroad, Circular 38 permits the funds to be transferred to the investor's payment account for use in another project or investment activity in Vietnam, subject to applicable investment laws.

To avoid compliance issues and delays in settlement or outbound remittance, businesses should specify the required payment account and currency in the transaction documents and closing arrangements.

6. Transitional provisions

Circular 38 does not impose a general requirement for all economic organizations to reopen their existing investment capital accounts. However, businesses should note the following specific transitional arrangements:

- Charter capital received through a payment account before 18 August 2026 may be transferred to an investment capital account opened under Circular 38.
- Foreign investors engaged in petroleum activities that are currently using payment accounts must complete the opening of investment capital accounts within 12 months from 18 August 2026.
- An economic organization that no longer has any foreign investor or IFC member enterprise holding shares or contributed capital, or that was not issued or permitted to amend its IRC and has refunded the contributed capital, must close its investment capital account within 12 months from 18 August 2026 if the account has not already been closed.

Key takeaways for businesses

- New projects should assess whether an investment capital account can or must be opened before the IRC is issued or amended, and confirm the permitted pre-IRC transactions with the account bank.
- Existing foreign invested enterprises should review whether current and proposed ownership levels place them above or at/below the 50% threshold and whether an account opening, closure or migration is required.
- Multi-currency contribution plans should identify a single reference currency and maintain controls to ensure that the converted total does not exceed the registered contribution amount.
- M&A documents should specify a payment route and currency that match the parties' residence status and the transaction type.
- IFC member enterprises and petroleum-sector participants should determine whether they are newly brought within the investment capital account regime under Circular 38.
- As a risk-management measure, businesses should check bank-specific document requirements before remittance.

Circular 38 took effect on 18 August 2026. Businesses implementing pending capital contributions, ownership changes, project transfers or profit remittances should check whether their existing account arrangements and transaction documents remain consistent with the new framework. Please note that further market practice may develop on the documentation required by licensed banks.



Shape the future
with confidence

Contacts

Ho Chi Minh City Office



Robert King | EY Vietnam, Laos, Cambodia Tax Leader
EY Consulting Vietnam Joint Stock Company
robert.m.king@vn.ey.com



Hieu Duy Nguyen | Law Leader and Managing Director
EY Law Vietnam Limited Liability Company
hieu.d.nguyen@vn.ey.com



Ngoc Hong Vuong | Director
EY Law Vietnam Limited Liability Company
ngoc.hong.vuong@vn.ey.com

Hanoi Office



Anh Thuy Pham | Associate Partner
EY Law Vietnam Limited Liability Company
anh.thuy.pham1@vn.ey.com



Linh Hoang Anh Nguyen | Director
EY Law Vietnam Limited Liability Company
linh.hoang.anh.nguyen@vn.ey.com

Japanese Business Services (JBS)



Takahisa Onose | EY Vietnam, Laos, Cambodia JBS Leader
Ernst & Young Vietnam Limited
takahisa.onose@vn.ey.com



Takaaki Nishikawa | Associate Partner
EY Consulting Vietnam Joint Stock Company
takaaki.nishikawa@parthenon.ey.com

Korean Business Services (KBS)



Binh Thanh Phan | EY Vietnam, Laos, Cambodia KBS Leader
EY Consulting Vietnam Joint Stock Company
binh.thanh.phan@parthenon.ey.com



Kyung Hoon Han | Associate Partner
Ernst & Young Vietnam Limited
kyung.hoon.han@vn.ey.com

Chinese Business Services (CBS)



Truong Duc Le | EY Vietnam, Laos, Cambodia CBS Leader
Ernst & Young Vietnam Limited
truong.duc.le@vn.ey.com



Owen Tsao | Director
Ernst & Young Vietnam Limited
owen.tsao@vn.ey.com



Trinh Kiet Luong | Assistant Director
Ernst & Young Vietnam Limited
trinh.kiet.luong@vn.ey.com

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

©2026 EY Law Vietnam Limited Liability Company. All Rights Reserved.

APAC No. 16201001

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com/en_vn