



M&A | CAPITAL MARKETS

■ Team Profile & Track of Record | M&A Practice Group



vci-legal.com

VCI LEGAL INTRODUCTION

Full service business law firm
providing specialized legal services &
“In-house Counsel Service”
for Business

Voted "Vietnam Corporate Law Firm of The Year" by



OUR SERVICES



Corporations, M&A & Securities	Banking, Finance & Capital Markets	Real Estate & Construction	Infrastructure, Transport & Logistics	Tax & Transfer Pricing	Alternative Dispute Resolution: Mediation, Arbitration
Investment and restructuring	Insurance	Petroleum, Mining & Energy	Trade Policy & Competition	Labor, HR Management & Compliance	In House Counsel





LOCAL INSIGHTS MEET INTERNATIONAL EXPERTISE



A full service law firm
with a seasoned team of
multi-disciplinary
professionals



In-depth understanding of
the legal system, business
environment, and cultural
background in Vietnam

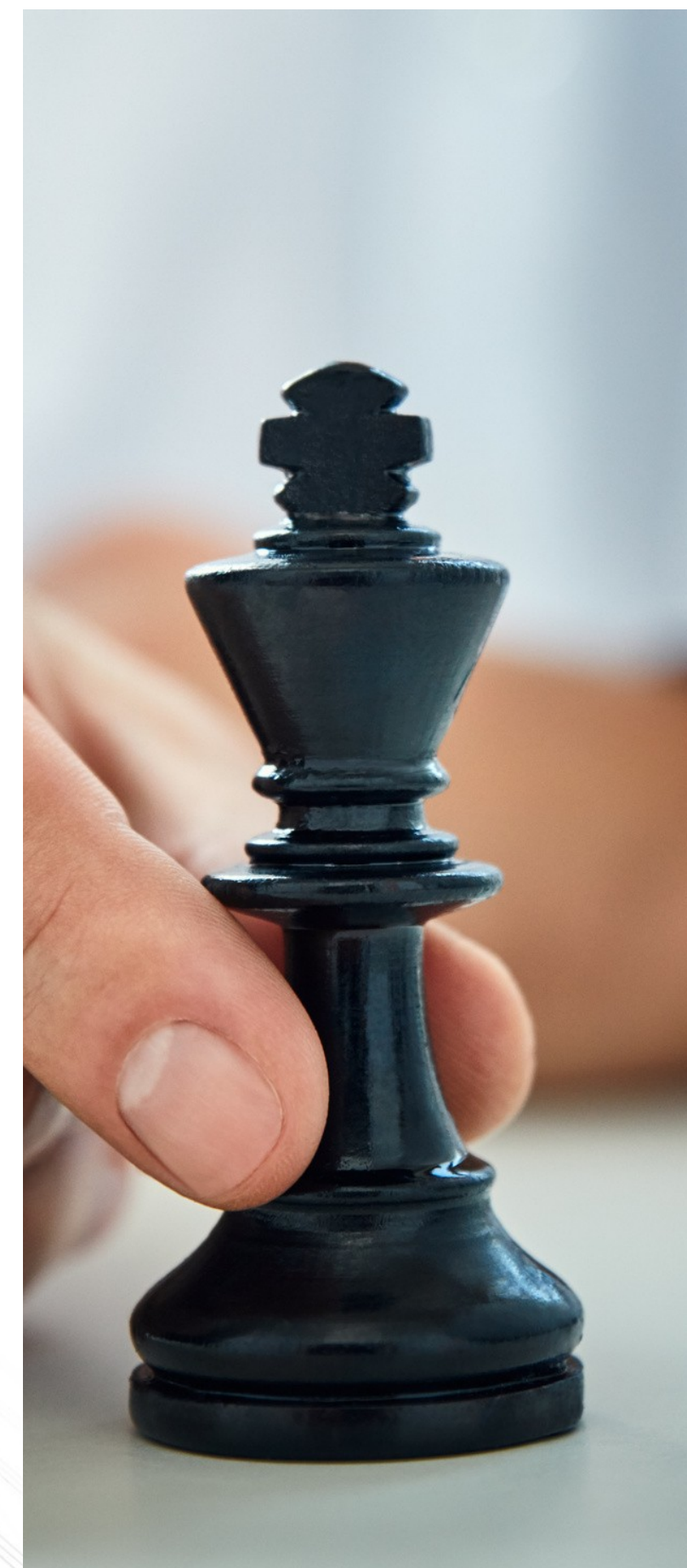


- Offices: Hanoi and Ho Chi Minh City
- Professional staff: 25
- Languages:
Vietnamese, English,
Japanese, French,
Chinese, Korean



INTERNATIONAL AWARDS

- Legal500, Chambers & Partners, IFLR 1000, Asialaw Profiles and Legalese's Tax Director Handbook (global legal directories & ranking agencies) and international professional magazines list VCI Legal among the top law firms in Vietnam for: M&A, competition law, banking and corporate, insurance, taxation, intellectual property, investment,
- Acquisition International Magazine:
- Vietnam Corporate Law Firm of the Year 2012-2014,
- M&A Vietnam Law Firm of the Year 2013,
- Real Estate Law Firm of the year 2012-2013
- ACQ Global Magazine:
- Vietnam Banking & Finance Law Firm of the Year 2012-2013
- Vietnam Capital Markets Law Firm of the Year 2012-2013
- Vietnam Corporate Law Firm of the Year 2012-2013
- Vietnam M&A Law Firm of the Year 2012-2013
- Finance Monthly – Law Firm of the Year 2011-2013
- Corporate LiveWire – M&A Vietnam Law Firm of the Year 2012-2013
- Asialaw- Highly Recommended Firm for the Year 2014

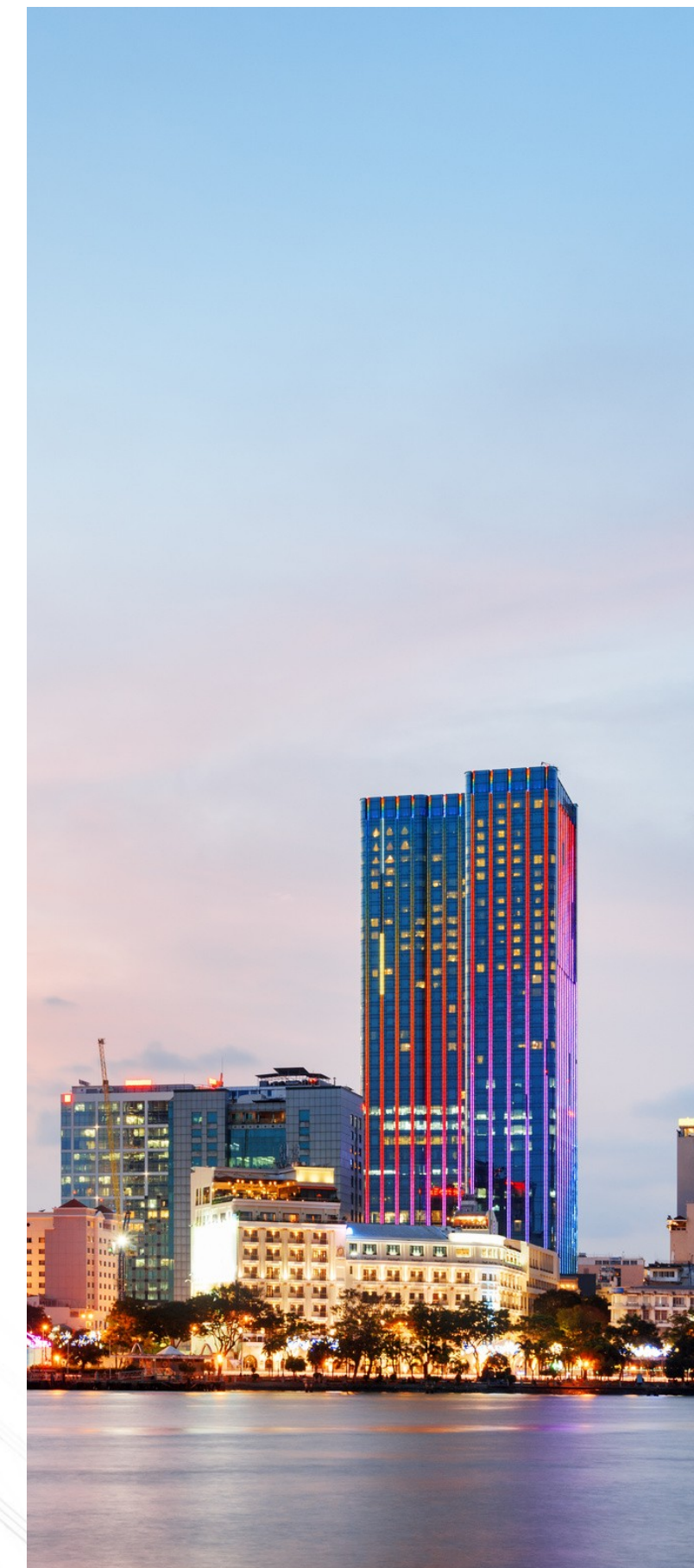
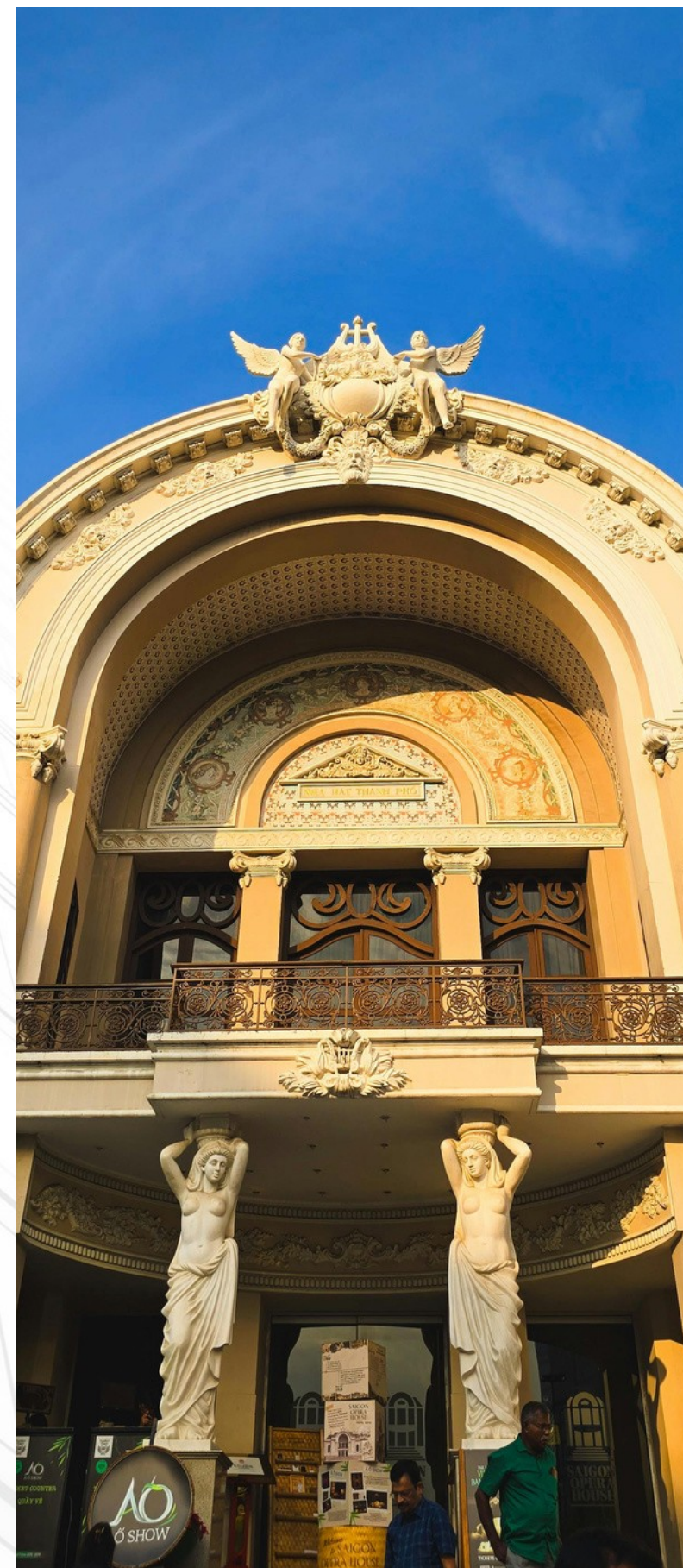




SERVICES OVERVIEW

Full-service business law firm: firm with specialized business-oriented service packages:

- Finance, Legal & Stock Market Engineering Service™
- Investment Structuring & Placement®
- Legal, Compliance & Risk Management Service®;
- Intellectual Properties Strategic Management Service®
- IP Enforcement Service®

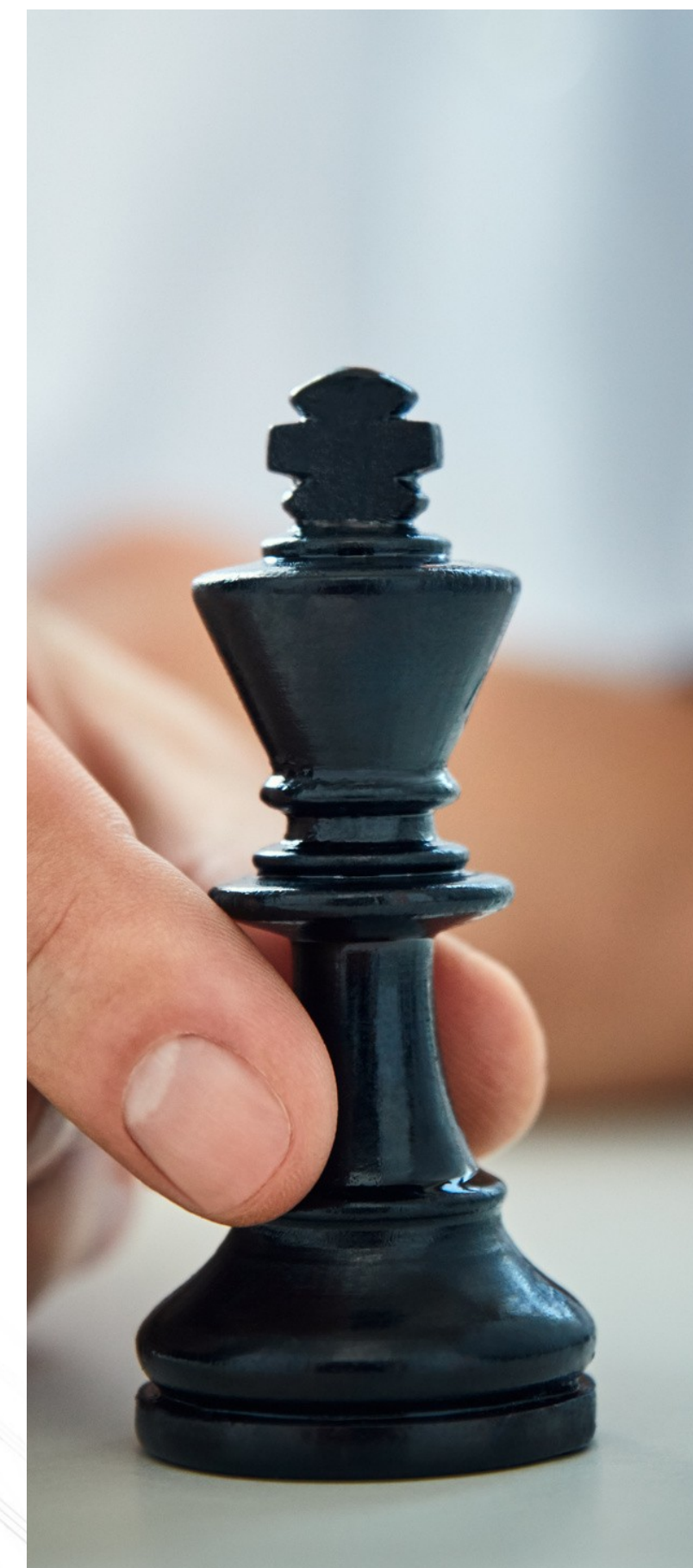




SERVICES OVERVIEW

Corporate, Finance, Tax and Litigation on the “In-house Counsel Services”® platform

- Legal and Financial Advisory Services
- Project and Contract Negotiation
- Drafting & Translation
- Due Diligence
- Registration procedures
- State & Local Government Relations
- Regulatory Compliance
- In-house training & workshops
- Project Planning and Management
- Daily Operations





WHY VCI LEGAL?

- **In-depth understanding of local cultures / legal environment;**
 - **Experiences in supporting multinational / local business in Vietnam;**
 - **Up-to-date with modern management approaches & international business practice;**
 - **Well-trained lawyers from international schools**
- **Measurable added-values for business:**
 - **Regular contact/working relationship with authorities;**
 - **Consistence & stability for business**
 - **Timely reaction to regulatory changes**
 - **Well-updated with governmental regulations**
- **Reasonable & Controllable budget;**



EDUCATION POLICIES REFORM 2025 - 2026



EDUCATION: KEY REGULATION

- Resolution No. 248/2025/QH15 introducing breakthrough mechanisms and incentives for education sector development.
- Law on Education No. 43/2019/QH14, as amended by Law No. 123/2025/QH15, which establishes the overarching legal basis for educational activities and foreign participation in the education sector, including the establishment and operation of foreign-invested educational institutions.



EDUCATION: KEY REGULATION

- Decree No. 86/2018/ND-CP, as amended and supplemented by Decree No. 124/2024/ND-CP, which regulates foreign investment activities in the education sector.
- Decree No. 125/2024/ND-CP, effective from 20 November 2024, which provides detailed regulations on investment and educational operations applicable to domestic educational institutions, including public schools.



KEY OBJECTIVES OF POLICIES REFORM

Social welfare policy

- Tuition-free public general education from the 2025–2026 academic year.
- Free textbook programme for disadvantaged areas.

Vision for 2030

100% cơ sở giáo dục đại học đạt chuẩn kiểm định quốc gia

- 100% of higher education institutions meeting national quality assurance standards.
- At least 12 universities ranked among Asia's Top 200.
- Two universities ranked among the world's Top 100 in their respective disciplines.
- Modernised education governance through greater institutional autonomy and enhanced accountability.

Foreign Ownership Restrictions: Key Considerations

Up to 100% foreign ownership permitted.

Up to 100% foreign ownership is permitted across all education levels, including K–12 schools, universities, vocational education institutions and short-term training centres.

Direct ownership of schools is not permitted.

Pursuant to Article 2.2 of Decree No. 86/2018/ND-CP, a foreign investor may not directly own a school as an independent legal entity.

Investment must be made through a Vietnamese enterprise

The investment must be made through a Vietnamese enterprise that directly or indirectly owns or operates the educational institution.

02 MAIN INVESTMENT STRUCTURES

Structure (A): Direct Investment

The foreign investor acquires an equity interest directly in the company that owns and/or operates the school.

→ The foreign investor acquires an equity interest directly in the company that owns and/or operates the school.

Provides greater legal certainty but entails more extensive compliance obligations.

Structure (B): Investment through a Holding Company

The foreign investor invests only at the holding company level, which owns the operating company.

→ If the holding company is majority-owned or controlled by foreign investors, the competent authorities may still consider the school to be a foreign-invested educational institution..

The transaction structure is a key factor in preserving the school's status as a domestic educational institution following the M&A transaction.

 The legal uncertainty associated with Structure (B) requires careful transaction structuring from the outset.

KEY LEGAL CONSIDERATIONS FOR THE ACQUISITION OF EDUCATIONAL INSTITUTIONS

Vietnam does not yet have a comprehensive legal framework specifically governing the acquisition of operating educational institutions.

Investors must navigate a combination of the Law on Investment, the Law on Enterprises, and education laws and regulations.

Domestic Target	Foreign-Invested Target
Will the M&A transaction trigger a reclassification of the school into a foreign-invested entity?	Lower regulatory friction; target is already classified under the FIEI framework.
Partially defined in law; heavily reliant on the ad-hoc practices of local authorities.	Standard M&A processes apply. No risk of legal reclassification.
Buyers typically structure the deal specifically to preserve the target's current domestic legal status. If foreign control is gained, complex new licensing requirements are triggered.	Focus shifts primarily to standard investment approvals, economic concentration checks, and post-deal registry updates.

The 3 Core Regulatory Approvals



Approval 1: Foreign Investment M&A Approval

Requirement: For foreign investors acquiring shares/capital contributions under the Investment Law.

Authority: Submitted to the provincial Department of Finance.



Approval 2: Economic Concentration Clearance

Requirement: Mandatory if the transaction meets notification thresholds and confers control over the target.

Authority: National Competition Commission.

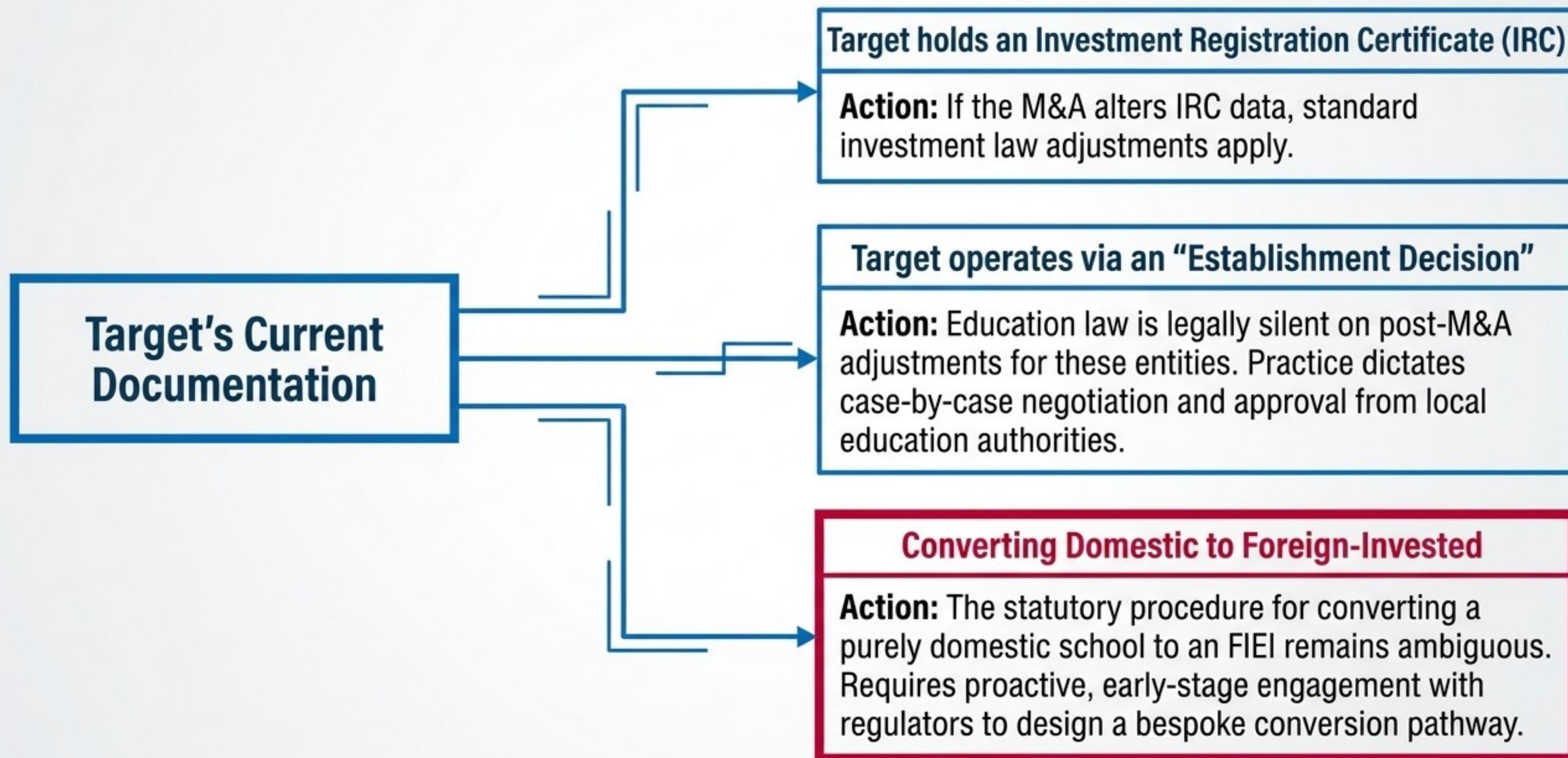


Approval 3: Enterprise Registration Update

Requirement: Mandatory for all equity transfer transactions to legally reflect the post-closing ownership structure.

Authority: Department of Planning and Investment.

Educational License Adjustments & Conversions



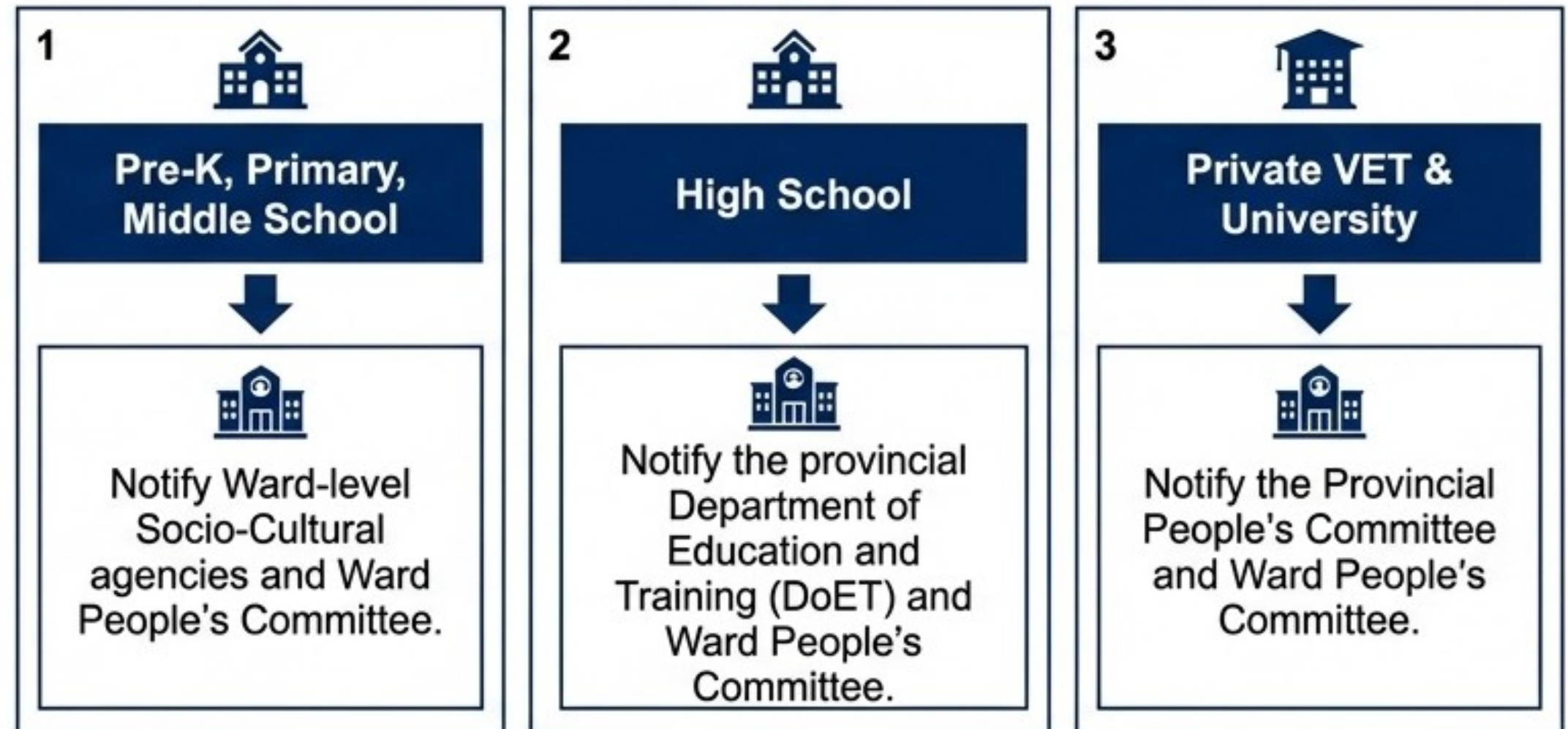
The 14-Day Obligation: Disclosure & Notification



Action 1: Public Disclosure

- ✓ Must publish the identity of the new investor on the educational institution's official website.

Authority Notification Map



A large red digital clock showing 00:00, a fountain pen, and a document with a signature.

00:00

Post-Closing Compliance: The Ticking Clock

The Paradigm Shift: Decree 66/2026/NĐ-CP

- Effective Date: March 15, 2026.
- Scope: Strictly governs post-transaction equity transfers at private educational institutions.

The Reality: Closing the deal is no longer the finish line. Decree 66 introduces aggressive, mandatory countdown windows for disclosure and licensing updates that, if missed, threaten the operational viability of the newly acquired asset.

The 30-Day Obligation: License Adjustments

Day
15

Day
30

Trigger: Required when a capital transfer occurs between a domestic and a foreign investor.

Action: Must formally adjust the Educational Operation License within 30 working days, complying with FIEI complying with FIEI licensing requirements under Decree 86/2018/NĐ-CP (amended).

The Practical Challenges:

- **Jurisdictional Friction:** The licensing authorities for foreign-invested schools differ significantly from those managing domestic schools.
- **Operational Complexity:** The process is severely complicated if a single corporate entity operates multiple campus locations under one consolidated license.



Critical Risk: Failure to manage this transition is the paramount post-closing compliance threat.

Drafting the M&A Contract: Conditions Precedent (CPs)

Block 1: Conditions Precedent

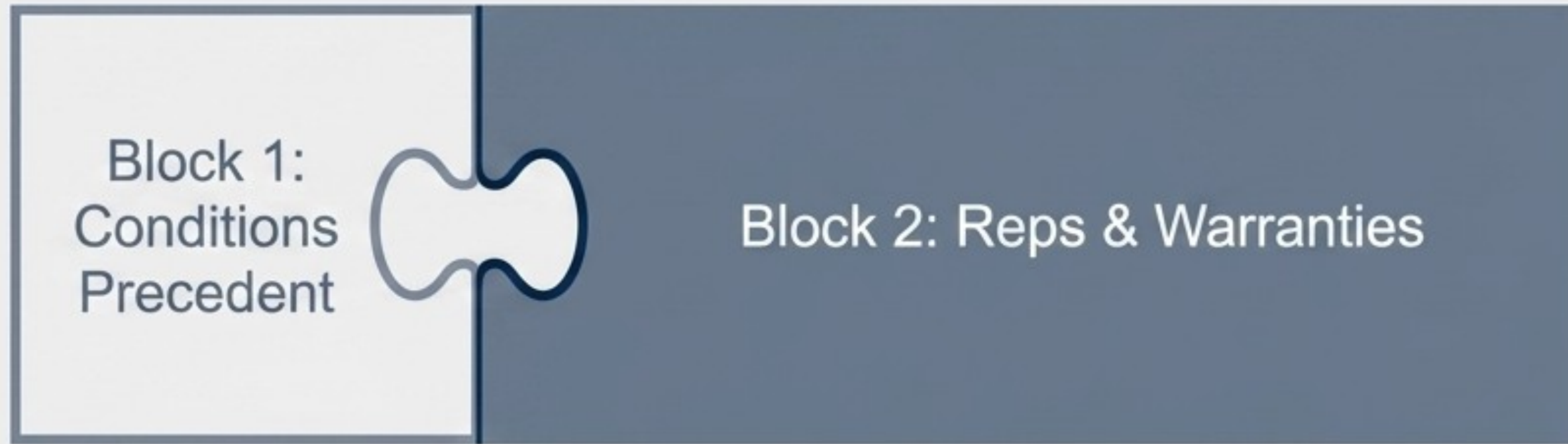
Strategy: Elevate education-specific regulatory compliance to strict Conditions Precedent, particularly when the target is transitioning to a foreign-invested status.

- ➔ **Capital & Facilities:** Confirm the target meets minimum investment capital thresholds, land use rights, and classroom/infrastructure standards dictated by Decree 86.
- ➔ **Personnel Ratios:** Verify teacher qualifications and strict student-to-teacher operating ratios.

Objective: Ensure the buyer is acquiring an asset that is legally authorized to operate seamlessly on Day 1 post-closing.



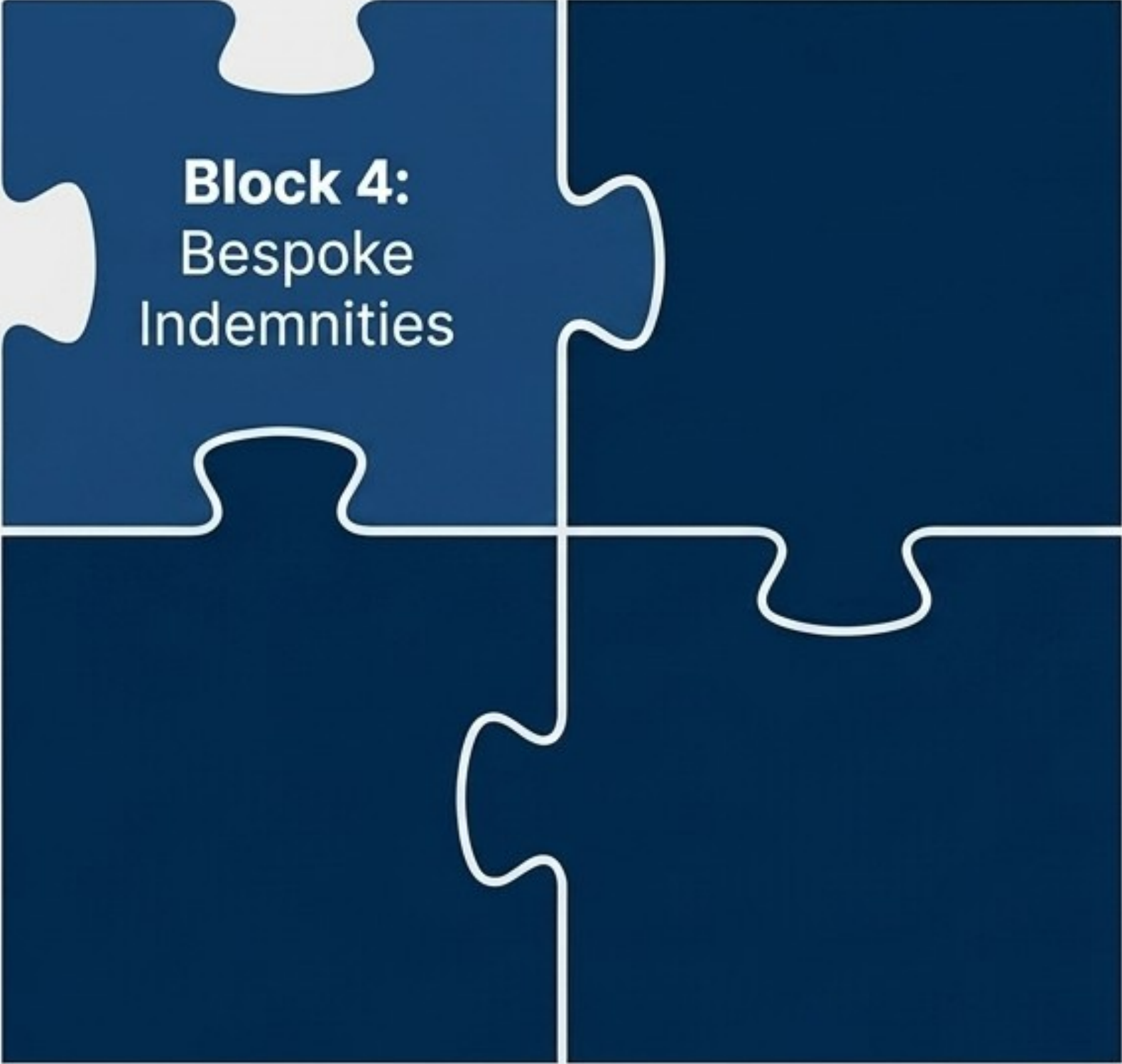
Drafting the M&A Contract: Reps & Warranties (R&Ws)



Standard corporate R&Ws are insufficient. Contracts must include sector-specific warranties:

 Licensing Validity Explicit warranty that the IRC, Establishment Decision, and Operation Licenses are active, not suspended, and not pending revocation.	 Regulatory Impeccability Guarantee of absolute compliance with education, labor, and tax laws, with no ongoing or pending state inspections.
 International Curriculum Warranty confirming the unencumbered validity of international program licensing agreements.	 Real Estate & Tuition Strict guarantees regarding land-use rights validity, adherence to statutory tuition caps, and legal compliance regarding advance tuition collection.

Drafting the M&A Contract: Bespoke Indemnities



Block 4: Bespoke Indemnities

Due to the unique operational risks of education assets, standard mechanisms must be supplemented with specific indemnifications addressing:

Infrastructure Vulnerabilities

Defects or historical irregularities in land use rights and facility approvals.

Historical Licensing Violations

Past operational breaches regarding education licensing that could trigger future regulatory action.

Decree 66 Compliance Failures

Financial damages resulting from the failure to meet the 14-day/30-day notification and licensing deadlines.

Enrollment Breaches

Historical over-enrollment beyond statutory limits, which risks administrative penalties, license suspension, or outright revocation.

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Son Tran | Partner
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Director | Financial Market
& Corporate



Thang Dang, Esq.
Of Counsel | Compliance,
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James M. Okuley, Esq.
Of Counsel | Litigation & ADR



MANAGING PARTNER

- 24+ years of practice & considered as one of Vietnam's corporate lawyers with international experience, professional capacity & network locally & internationally
- Experience in consulting & representing many multinational and local companies in many areas
- Professional practice surrounding legal issues, management and trade policies with focus on:

Banking & capital market, finance, corporate

M&A, investment & restructuring companies

Energy, mining, infrastructure

Real estate, manufacturing, transport and logistics

Labor, taxation & transfer pricing

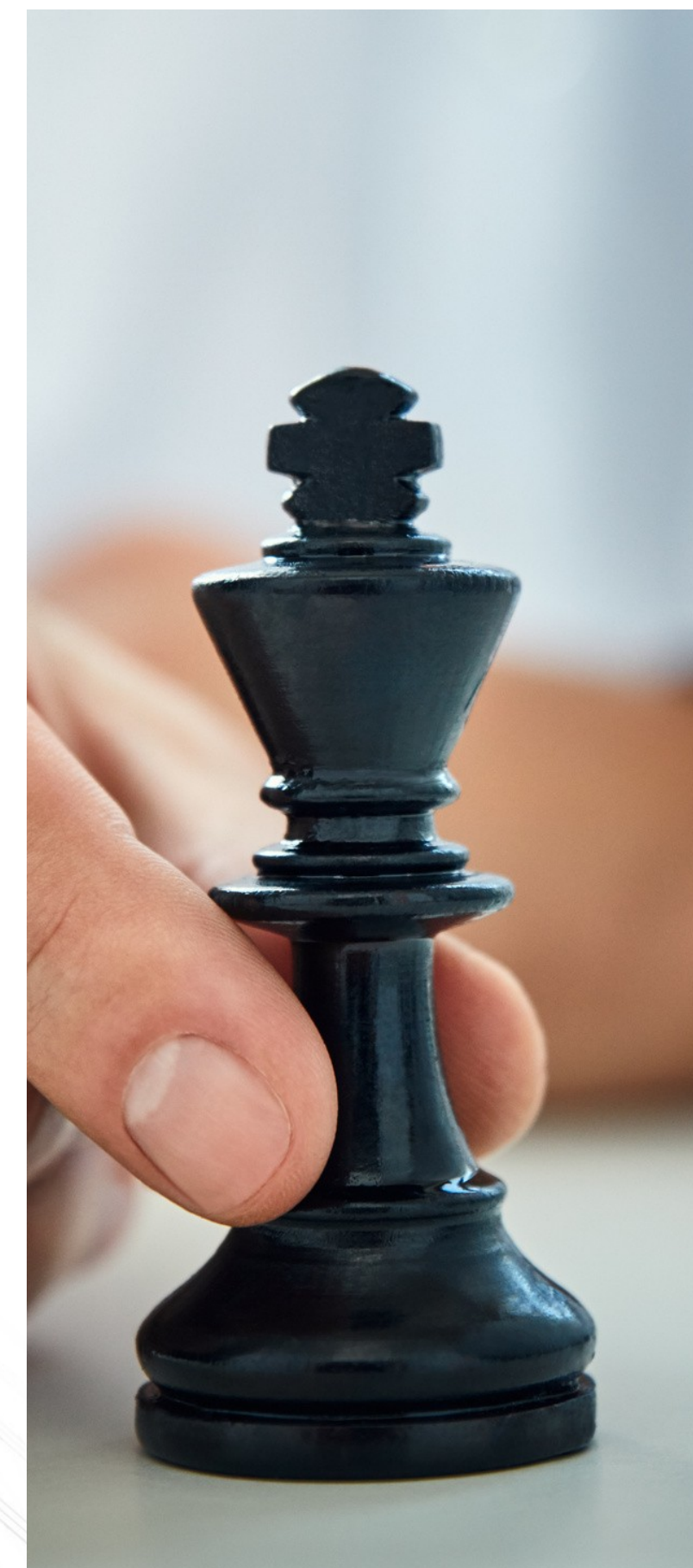
Protection and management of intellectual property, technology transfer

Mediation, arbitration & commercial litigation



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MORE QUESTION

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