

Viet Nam Corporate Governance Code, 2026

The Viet Nam Corporate Governance Code, 2026 is a collection of recommendations on best corporate governance practices for Vietnamese public and listed companies. The Code advocates for standards that go beyond the minimum requirements in legislation and regulations. Specifically for listed companies in Viet Nam, the Code aims to raise the standards of corporate governance practices to a level on par with its top regional ASEAN counterparts. It is intended to assist the State Securities Commission (SSC) in optimizing the corporate governance legal framework for public companies.

STRUCTURE OF THE CORPORATE GOVERNANCE CODE

The Code consists of the following nine Principles arranged to take into account the relevance and prioritization of corporate governance performance by Vietnamese companies.

Section 1	Responsibilities of the Board of Directors	<i>Principle 1:</i> Establishing clear roles, responsibilities and commitment of the Board
		<i>Principle 2:</i> Establishing a competent, professional, independent, and balanced Board
		<i>Principle 3:</i> Establishing Board committees
		<i>Principle 4:</i> Ensuring Board effectiveness
		<i>Principle 5:</i> Establishing and maintaining an ethical corporate culture
Section 2	Control Environment	<i>Principle 6:</i> Establishing a sound risk management and control environment
Section 3	Disclosure and Transparency	<i>Principle 7:</i> Strengthening company disclosure practices, including sustainability disclosure
Section 4	Shareholder Rights	<i>Principle 8:</i> Establishing a framework for effective exercising of shareholder rights
Section 5	Sustainability and Roles of Stakeholder Engagement	<i>Principle 9:</i> Sustainability and building effective stakeholder engagement

Each Principle is further elaborated through *sub-principles*, which are then supported by detailed provisions - *Practices and Standards*.

KEY AMENDMENTS TO THE CORPORATE GOVERNANCE CODE

The major updates by section are as follows:

Responsibilities of the Board of Directors

- Enhancing the roles of the Board in governing sustainable development by integrating the Board's roles in monitoring sustainability, and monitoring emerging risks from climate change, environmental, and social issues.
- Emphasizing the importance of materiality assessments in reviewing strategies to reflect ESG and climate change.

- Recommending establishing a Sustainability/ESG committee or appointing a director to oversee sustainability/ESG.
- Strengthening principles related to Board effectiveness and competencies.
- Adding a provision:
 - on the Board's role in monitoring conflicts of interest.
 - for implementing sustainable development (at the management level).
 - on the necessary resources for the Board to exercise its roles effectively, especially in terms of access to information.
- Enhancing the remuneration policy of the Board and key executives to ensure independence of the Board

and linkages to long-term value of the company and its shareholders. Enhancing the importance of a code of conduct and Board roles in promoting the code of conduct for the Board and the company.

- Emphasizing the roles of the Board in transparency, disclosure, and reporting on how it exercises its roles and responsibilities.

Control Environment

- Emphasizing the role of the Board in monitoring and reporting on the effectiveness of risk management and internal control systems to shareholders and other stakeholders.
- Emphasizing the role of objective and independent assurance of the internal audit.
- Highlighting new risks related to sustainable development and climate change.

- d) Enhancing provisions related to the company's financial risk and cyber risk resilience.
- e) Spotlighting the role of internal control systems in managing ESG-related risks.
- f) Emphasizing the role of monitoring related-party transactions.
- g) Enhancing the effectiveness of the Audit Committee.

Disclosure and Transparency

- a) Recommending disclosure of compliance with the Code and adoption of the "Comply or Explain" approach.
- b) Promoting adopting and disclosing the code of conduct and whistle-blowing policy.
- c) Adding provisions on:
 - disclosure of sustainability and resilience with internal and external assurance on reporting.
 - enhancing disclosure on material information on related-party transactions, capital structure, group structure and indirect share ownership.
 - disclosing foreseeable material risks more transparently.
 - disclosing remuneration policies and details and requiring linking the remuneration of the Board to the long-term value of the company.

Shareholder Rights

Adding provisions on:

- a) engagement with shareholders beyond the GMS.
- b) engagement with shareholders on sustainability and ESG issues.
- c) hybrid GMS to ensure effective participation and voting.
- d) effective engagement at the GMS and on disclosure of meeting minutes.
- e) voting for Board nomination and remuneration, with more detailed information provided.
- f) voting on merger and acquisition transactions and external auditors.

Sustainability and Roles of Stakeholder Engagement

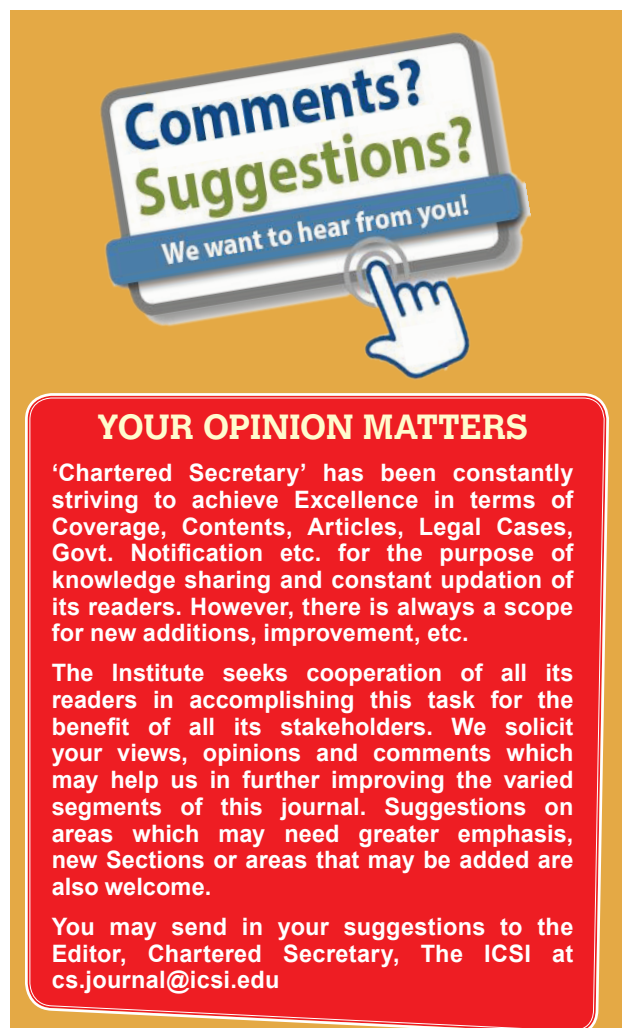
- a) A new chapter based on G20/OECD's new corporate governance principles.
- b) Renaming and upgrading existing principles to incorporate the value of "sustainability and resilience".
- c) Integrating sustainability aspects into existing principles.
- d) Adding Board requirements:
 - for consideration of material sustainability risks and opportunities in monitoring governance, disclosure, strategy, performance and risk management.

- to establish an effective governance framework to ensure monitoring of the Board and management on sustainability.
- to establish dialogue channels and activities to engage with internal and external stakeholders for feedback on sustainability.
- Enhancing promotion of the rights, roles and interests of company stakeholders for co-operation and value creation.

All efforts have been taken to ensure there is no conflict between this Code and other laws and regulations. However, if a conflict should arise, then laws and regulations will prevail.

Immediately after the issuance of the Code, public companies are encouraged to use the Code as a guiding document to apply internationally recognized best corporate governance practices and periodically disclose the status of implementation of the Code in the Corporate Governance Report section of their Annual Report and publish it on the company's website.

Source: https://ssc.gov.vn/webcenter/portal/ubck/pages_r/l/chitit?dDocName=APPSSCGOVVN1620163881&dID=172905



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