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Healthcare M&A 2026

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INTRODUCTION

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Contributing Editor



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1. Market Trends

1.1 Healthcare M&A Market

The healthcare M&A market of Vietnam gained stronger momentum in 2025 and early 2026. The market saw growth in both deal volume and deal value, emerging as one of the leading sectors of Vietnam's broader M&A market.

The market was further supported by several notable transactions, including Ares Management's strategic investment in 30% equity interest of MEDLATEC (with deal value of approximately USD150 million), Quadria's acquisition of 73.15% equity interest in Tam Tri Medical, Livzon Pharmaceutical's acquisition of 65% equity interest in Imexpharm (with deal value of around USD221 million), which together highlight renewed investor interest across both pharmaceutical manufacturing and private healthcare services.

More broadly, Vietnam's healthcare sector continues to be underpinned by strong long-term fundamentals, including a large and expanding network of public and private healthcare providers, rising healthcare utilisation, and broadening health insurance coverage. Taken together, these factors suggest that the market in 2025 was characterised by improving M&A momentum, increasing interest in scalable healthcare platforms, and continued confidence in the long-term growth trajectory of Vietnam's healthcare sector.

1.2 Key Trends

Vietnam's healthcare market appears to have moved beyond the earlier digital healthcare narrative into a

broader phase of scale-up and consolidation. While digital transformation remains an important theme, the market's development has been increasingly driven by the expansion of private healthcare capacity, greater investor interest in scalable healthcare platforms, and rising demand for specialised and higher-quality care.

M&A activity in 2025 suggests a clear preference for platform-based investments in hospitals, diagnostics and integrated outpatient networks, rather than isolated single-asset acquisitions. AI, Big Data and electronic health records are increasingly being viewed not merely as standalone health-tech trends, but as core operational tools for hospital management, diagnosis and treatment. These developments indicate that the prevailing trend is the institutionalisation and scaling of healthcare delivery through consolidation, infrastructure upgrades and technology-enabled operating models.

Recent Regulatory Developments

The Law on Medical Examination and Treatment and the Law on Pharmacy are the two principal statutes governing the healthcare sector in Vietnam. While the Law on Medical Examination and Treatment did not see any major recent developments, the Law on Pharmacy was amended by Vietnam's National Assembly taking full effect from 1 July 2025 with several notable changes, such as the following.

- New business models – two new business models have been formally recognised, namely the pharmacy chain and the sale of drugs through e-commerce platforms.

- (a) A pharmacy chain comprises at least two affiliated pharmacies, each of which has been granted a Pharmacy Eligibility Certificate and operates under a unified quality management system. A pharmacy chain is permitted to procure drugs for onward distribution to its affiliated pharmacies, while each pharmacy within the chain may only sell drugs supplied through the chain. A pharmacy chain is exempt from the requirement to register changes with the state authorities when reassigning the person responsible for pharmaceutical expertise among its affiliated pharmacies.
 - (b) E-commerce drug sales may only be conducted through certain permitted platforms, including e-commerce marketplaces, sales-oriented e-commerce applications, and e-commerce websites. An entity in e-commerce drug sales must be a pharmaceutical business establishment holding a Pharmacy Eligibility Certificate, and is also required to notify the state authorities of their e-commerce drug sales activities. Drugs permitted to be sold through e-commerce platforms are limited to non-prescription drugs, non-special control drugs, and non-restricted retail sale drugs.
- Greater participation of foreign-invested enterprises – foreign-invested pharmaceutical business establishments are now permitted to directly distribute drugs and pharmaceutical ingredients that they themselves manufacture, outsource for processing, or receive through technology transfer in Vietnam, all the way to healthcare facilities (eg, hospitals and clinics). In addition, pharmaceutical business establishments importing drugs and pharmaceutical ingredients are entitled to sell by wholesale the drugs imported by themselves to drug wholesale establishments.
 - Administrative reform – the timeline for the grant of drug marketing authorisations has been shortened to no more than nine months in certain cases, instead of 12 months as previously applied. Likewise, the timeline for approving variations and supplements to existing marketing authorisations has been reduced to no more than 20 days in certain cases, instead of three months under the previous regime.

- Adoption of Good Manufacturing Practice (GMP) – the amendment incorporates international standards by recognising Good Manufacturing Practice compliance assessments from trusted regulatory authorities.

2. Establishing a New Company

2.1 Establishing a New Company

New foreign invested start-ups in the healthcare sector typically use a Singapore holding company to establish the Vietnam subsidiary to operate the healthcare business in Vietnam. Singapore has promoted itself as the hub for the Southeast Asia operations. That said, holding companies in Hong Kong, Cyprus, Delaware and Luxembourg also work as the direct parent company of the Vietnam subsidiary.

The incorporation process for a wholly Vietnamese owned company is an easy process with little regulatory hurdles and requires five to ten days to obtain an enterprise registration certificate (ERC). However, incorporating a foreign invested enterprise will additionally require the foreign investor to obtain an investment registration certificate (IRC) which approves the investment project of the foreign investor in Vietnam.

The recent regulatory changes and authority restructuring have introduced several notable updates to the application of the ERC and IRC as follows.

- Following the nationwide restructuring of authority in 2025, the Department of Planning and Investment was merged into the Department of Finance (DOF), which is now the competent authority for both ERC and IRC applications.
- Application sequence – under the traditional process, the foreign investor must obtain the IRC first by filing a range of documents to the local DOF showing corporate authority and financial capability to implement the project which will include a project business plan. Once the IRC is issued, an application is then made by the foreign investor to the DOF to obtain an enterprise registration certificate (ERC) which incorporates the foreign invested entity in Vietnam.

The new Law on Investment 2025 introduced a new approach, allowing investors to first obtain an ERC and establish a company before applying for an IRC. The investor is then required to obtain an IRC within 12 months from the issuance of the ERC. This change effectively addresses practical challenges faced by foreign investors in conducting pre-incorporation activities (eg, leasing office space or hiring key personnel) without an established legal entity.

Under normal circumstances, obtaining the IRC and ERC should take 6–8 weeks. However, given business in the healthcare sector for a foreign investor has regulatory hurdles, the DOF may consult with the Ministry of Health when assessing the application for IRC which may push the timing to 3–6 months.

100% foreign ownership is permitted in the healthcare sector. However, there are minimum investment capital requirements. A foreign invested hospital requires a minimum investment capital of USD20 million. A foreign invested polyclinic requires a minimum investment capital of USD2 million. A foreign invested specialty health facility requires a minimum investment capital of USD200,000.

2.2 Type of Entity

A foreign-invested enterprise may use the following corporate forms:

- a single member limited liability company (SMLLC);
- a multiple member limited liability company (MMLLC); or
- a joint-stock company (JSC).

A SMLLC and MMLLC do not issue shares and ownership in the entity is represented by the actual amount of capital contributed. A JSC can issue ordinary and other classes of shares and can potentially list on a Vietnam stock exchange. Entrepreneurs that want to provide an ESOP programme for its employees and consultants would normally incorporate a JSC.

2.3 Early-Stage Financing

A start-up often raises seed investment through a variety of sources.

- Angel rounds – local investors often include angel investors or family offices. These investors normally deploy capital by subscribing to ordinary shares or providing a convertible loan.
- Foreign investors – foreign investors often contribute not only capital but also bring valuable expertise, international networks, and market access, which are crucial for start-ups looking to expand globally. The foreign investors come from angel funds or social impact funds that typically fund early stage investments. Foreign investors often require the start-up to establish an offshore holding company which will hold the Vietnam equity interests to the extent that Vietnam’s regulatory rules allow. The foreign investor will then invest in the holding company through a SAFE or preference shares. Where the foreign investor invests directly into a Vietnamese entity then this is done by way of a convertible loan or straight equity either as ordinary shares or preference shares.

In early-stage financing the documentation is often less rigorous given the stage and size of the investment. The authors typically see the financing structured as a convertible loan agreement, share subscription agreement or a SAFE. The shareholder and governance arrangements are set out in the shareholders agreement and this will cover matters such as liquidation preference, next round financing and reserve matters.

2.4 Venture Capital

There is limited access to capital from local venture capital and government-sponsored funds. This is because establishing a local fund structure requires regulatory approval. The authors see venture capital from local investors being provided through an offshore fund structure rather than onshore.

Foreign venture capital firms are active in the Vietnam market and global venture capital firms have made investments in Vietnam such as Sequoia Capital, Jungle Ventures, IDG Ventures, Y Combinator and Soft-Bank Vision Fund.

2.5 Venture Capital Documentation

There are no standard venture capital documentation and standards in Vietnam. However, the Singa-

pore Venture Capital and Private Capital Association together with the Singapore Academy of Law have developed Venture Capital Investment Model Agreements that include model term sheets, subscription agreement, convertible notes and shareholders agreement. These have been adopted in some transactions as a starting point for use in Vietnam.

2.6 Change of Corporate Form or Migration

Most start-ups in Vietnam will be established in the form of a joint-stock company and, therefore, there is no need to migrate their corporate forms. However, the authors do see that in VC financing, the VC investor may request that the Vietnam entity and shareholders undertake a re-domiciliation to move the shareholding structure to a Singapore holding company with the Vietnam entity being a subsidiary of the Singapore holding company.

3. IPO as a Liquidity Event

3.1 IPO v Sale

Investors would tend to run a sale process rather than undertake an IPO. This is because there has only been a small number of successful IPOs of start-up businesses with the key one being MobileWorld Group's listing on the Ho Chi Minh City Stock Exchange in July 2014 and F88's trading on the Unlisted Public Company Market (UpCOM) of Hanoi Stock Exchange in 2025.

Vietnam's stock market has now been confirmed to be upgraded to a Secondary Emerging Market under FTSE Russell Benchmark with index inclusion starting on 21 September 2026, potentially opening access to greater global capital. While the exact timeline for the upgrade is monitored, several key initiatives have been implemented.

- The KRX system, an IT trading management platform developed in collaboration with the Korea Exchange, was launched in May 2025. This system aims to enhance trading infrastructure, improve market liquidity, and facilitate the transition of stocks to HOSE.
- Circular No 68/2024/TT-BTC, issued by the Ministry of Finance in September 2024, has eliminated

pre-funding requirements for foreign investors purchasing Vietnamese securities. Additionally, listed companies are now required to disclose information in English, increasing market transparency and accessibility.

- Amendments to the Law on Securities took effect on 1 January 2025 to enhance investor protection and market transparency.
- Circular 136/2025/TT-BTC introduced amendments to the regulatory framework governing the operation and management of securities investment funds, with effect from 12 February 2026.
- Circular 115/2025/TT-BTC amended the rules on securities offerings, public tender offers, share buy-backs and public company registration, streamlining disclosure and reporting obligations, with effect from 28 January 2026.
- In April 2026, FTSE Russell conducted and completed its interim assessment, confirming Vietnam meets all required criteria to be upgraded to a Secondary Emerging Market.

An IPO and listing of a Vietnamese company in an offshore securities exchange is challenging. There are Vietnam FDI and foreign ownership regulatory issues. Further, the strict corporate governance, accounting and reporting rules may mean that many Vietnamese companies may automatically not qualify. In addition, for a Vietnamese company to list offshore, that requires approval from the State Securities Commission of Vietnam (SSC) and there is also a requirement for the Vietnam stock exchange and the offshore stock exchange to have entered into a co-operation agreement.

On that basis a trade sale is a more likely liquidity event for investors in a start-up. The start-up can engage an adviser for the sale process that can involve a competitive bidding process.

3.2 Choice of Listing

Vietnamese companies may find it more straightforward to list on the home country's stock exchanges like HOSE or HNX due to familiarity with local regulations and reporting standards, and this is a more common practice for Vietnamese companies. In comparison, listing on a foreign exchange or dual listing

can provide access to the greater capital market, as discussed, but can be more challenging.

For a Vietnamese company that is already listed on a Vietnam stock exchange to list its shares overseas, it must seek an approval from the SSC. Vietnamese companies typically require two to three years to prepare for an overseas listing. This is primarily due to differences between international and Vietnamese accounting standards, as well as the high standards demanded for corporate governance.

In the case of dual listing, Vietnamese companies are required to meet certain obligations pertaining to both Vietnam and the country where their shares are listed. These obligations include, among others, complying with Vietnamese foreign exchange controls and disclosure requirements stipulated by both Vietnamese stock exchange and foreign stock exchange, as well as Vietnamese laws on foreign ownership room for listed companies.

There has been no Vietnamese company that has achieved any dual listing or a listing of a Vietnamese company's shares on an offshore stock exchange. VNG has explored for offshore listing on NASDAQ, but withdrew the application in 2024. VinFast is the first Vietnamese operated entity to have its offshore parent listed on a foreign stock exchange. However, while VinFast originated from Vietnam, it used a Singaporean entity to list on NASDAQ.

3.3 Impact of the Choice of Listing on Future M&A Transactions

The authors have discussed the difficulty in listing a Vietnamese company in an offshore jurisdiction. If the company does succeed with an offshore listing, then there will be issues with any squeeze-out from a Vietnamese law perspective. This is because Vietnam's securities law does not provide for any squeeze-out provisions for minority shareholders. Any acquisition of minority shares will need to be done by consent of the minority shareholder.

4. Sale as a Liquidity Event

4.1 Liquidity Event: Sale Process

A competitive auction or bidding process is typically chosen.

4.2 Liquidity Event: Transaction Structure

The typical transaction structure is for a sale of a controlling interest with the founder or sponsor retaining 20% of the shareholding which would be subject to an earn-out in three to five years following completion.

4.3 Liquidity Event: Form of Consideration

The consideration is typically on a cash basis.

4.4 Liquidity Event: Certain Transaction Terms

Founders are expected to stand behind customary representations and warranties though there are typical limitations of liability on the founders that relate to caps on liabilities (eg, 20–100% of purchase price depending on whether the warranty is fundamental or relates to tax or a general warranty), warranty claim period, double counting or double recovery, consequential loss and other customary limitations.

VC investors, unless they have a reasonable degree of management oversight, do not typically stand behind company warranties other than warranties relating to their ownership of the shares and warranties relating to power and authority and solvency of the VC investors.

A deposit or escrow arrangement is normally negotiated and agreed in healthcare transactions where the regulatory approval process and timeframe to satisfy the conditions precedent would be a lengthy one. The authors would typically see a deposit of 10–15% being paid after the signing of the transaction documents. A retention sum would normally be negotiated if there is a high likelihood that the completion and closing balance sheets would result in an adjustment to the purchase price in favour of the purchaser or if there is a concern about the future tax liability of the company following completion. The retention sum is typically around 5–10% of the purchase price.

Representations and Warranties Insurance is not commonly used in transactions, though the authors

have seen an increasing number of PE firms using this insurance product for Vietnam M&A transactions.

5. Spin-Offs

5.1 Spin-Off Trends

Spin-offs are not customary in Vietnam, especially in the healthcare sector, due to the onerous administrative process (approximately 1–2 years) to obtain new healthcare licences and land title for the new entity following the spin-off.

Having said the foregoing, due to the restrictions on pharmaceutical distribution by foreign investors, the drug dispensing arms of private hospitals or healthcare facilities with foreign invested capital or prepared for investment by foreign investors are normally carved out to maintain regulatory compliance.

5.2 Tax Consequences

A company separation is a form of company reorganisation and generally does not give rise to any capital gains tax.

5.3 Spin-Off Followed by a Business Combination

A spin-off immediately followed by a business combination is possible in Vietnam.

The business combination would require a range of regulatory approvals. The local DOF will need to approve the business combination. The Ministry of Health will generally need to provide an opinion on the business combination. Further, the licence of any additional healthcare facilities will need to be obtained from the local department of health. Depending on the size of the transaction an economic concentration notification may need to be filed with the Vietnam Competition Commission (VCC).

5.4 Timing and Tax Authority Rulings

The timing for a spin-off in the healthcare sector may vary depending on the structure, typically including one to two months for obtaining the ERC for the new entity, and up to six months for an operating licence (depending on the business objective of the spun-off entity). No tax ruling is required to be obtained.

6. Acquisitions of Listed Healthcare Companies

6.1 Stakebuilding

There are no restrictions on acquiring shares before making a public tender offer in Vietnam. Investors may buy minority stakes as a “testing the waters” step.

Acquiring 5% or more of a company’s voting shares triggers disclosure obligations. The investor must report to the target company, SSC, and stock exchange within five business days. Similar reporting applies when selling shares that reduces ownership below 5% or by more than 1% (combined with affiliates).

While Vietnamese regulations do not explicitly require stating the acquisition’s purpose or future plans, the tender offer application to the SSC must include details such as funding source, acquisition rationale, and post-acquisition business plans. This indirectly addresses the purpose and plans.

Vietnam has no “put up or shut up” rule. The buyer does not need to make a formal offer or declare future intentions within a specific timeframe.

6.2 Mandatory Offer

Vietnam has a mandatory offer threshold for public company acquisitions. An investor and their affiliated entities must make a public tender offer if their combined ownership reaches certain thresholds of the target company’s voting shares.

- 25% or more – this is the initial mandatory offer threshold.
- Subsequent thresholds – additional mandatory offers are triggered if the investor’s ownership (combined with affiliates) reaches or exceeds each of these subsequent thresholds:
 - (a) 35%;
 - (b) 45%;
 - (c) 55%;
 - (d) 65%; and
 - (e) 75%,

of the total voting shares.

The mandatory tender offer may be exempted if the acquisition is approved by the General Meeting of Shareholders of the target company.

6.3 Transaction Structures

In Vietnam, acquisitions of public companies are typically in form of share acquisition.

Asset acquisition is not common due to limitations. Certain assets, like land-use rights, might not be freely transferable or require specific approvals. Foreign investors may need to establish a new Vietnamese company to acquire the target's assets.

Mergers are not as frequently used for public company acquisitions in Vietnam compared to share acquisitions, due to the following.

- Complexity – mergers involve legal and administrative procedures that can be more complex than share acquisitions.
- Shareholder approval – both companies' shareholders need to approve the merger, potentially creating additional hurdles compared to acquiring shares directly from existing shareholders.
- Minority shareholder protection – mergers in Vietnam might require special procedures to protect the rights of minority shareholders, adding another layer of complexity.

So, while mergers are technically possible, the relative ease and efficiency of share acquisitions generally make them the preferred option for public company takeovers in Vietnam.

6.4 Consideration: Minimum Price

Public company acquisitions in Vietnam's healthcare industry can be financed with either cash or shares. Cash remains the preferred method due to its simplicity and clarity for sellers. Stock-for-stock deals are less frequent, especially considering potential stock price volatility.

Vietnam implements a minimum price requirement specifically for cash tender offers. The offer price must not be lower than:

- the average reference price of the target company's shares over the 60 trading days preceding the tender offer filing; and
- the highest purchase price offered in a tender offer during this timeframe.

The investor cannot decrease the offer price during the tender offer period. However, increasing the offer price is allowed. Any price increase must be:

- published at least seven days before the last day of the offer period; and
- extended to all other shareholders participating in the tender offer.

Contingent value rights (CVRs) are not yet a common tool in Vietnamese M&A. However, alternative mechanisms like earn-outs may be considered to bridge valuation gaps, especially in deals with high growth potential or significant regulatory uncertainties.

6.5 Common Conditions for a Takeover Offer/Tender Offer

While takeover offers in Vietnam tend to be less conditional compared to some other jurisdictions, there are specific requirements that a tender offer must satisfy the following.

- Financial capability – the offer must demonstrate the investor's financial capability to complete the acquisition. This can be achieved through:
 - (a) Payment guarantee – a credit institution guarantee for the offer amount.
 - (b) Escrowed funds – depositing a sufficient amount of funds in escrow to cover the offer.
- Public offering agent – the offer must be conducted through a licensed securities company acting as the public offering agent.
- Competition law considerations – depending on the specific transaction and its impact on market competition, a competition law filing might be required. While a competition clearance letter is no longer a prerequisite for submitting a public tender offer application to the SSC, the underlying legal obligation to file for competition clearance remains. Investors must independently determine if a transaction triggers competition thresholds. Because these are now separate regulatory tracks,

the merger filing should be initiated independently and ideally prior to the tender offer to ensure the transaction can be legally completed.

Beyond the specific conditions, the overall emphasis in Vietnam's takeover offer process is on the following.

- Fairness to shareholders – the offer price and terms should be fair and reasonable for all shareholders of the target company.
- Information disclosure – offer documents must provide clear and comprehensive information to allow shareholders to make informed decisions.
- Shareholder autonomy – shareholders have the right to decide whether to accept or reject the offer.

6.6 Deal Documentation

The Vietnamese takeover process emphasises transparency and shareholder decision-making, with less focus on pre-offer agreements and extensive representations and warranties from the target company.

Transaction Agreements in Vietnamese Takeovers

Unlike some other jurisdictions, Vietnam's takeover framework does not typically involve formal transaction agreements between the bidder and target company before a public tender offer.

The primary legal document governing the acquisition is the tender offer document itself. This document outlines the offer terms, conditions, and procedures for shareholder participation.

Target Company Involvement

While a formal agreement is not customary, the target company might be of assistance in the following aspects during the tender process.

- Co-operation – providing necessary information and facilitating due diligence within reasonable limits.
- Neutrality – maintaining neutrality during the offer period, avoiding actions that could unfairly influence shareholders' decisions.
- Disclosure – complying with ongoing disclosure obligations related to the offer and any material developments.

Board Recommendation

The target company's board typically issues a recommendation to shareholders regarding the offer. However, this recommendation is not a formal agreement binding the company.

Representations and Warranties

Public companies in Vietnam are less likely to provide extensive representations and warranties compared to some other legal systems.

The board of directors of the target company must act in the best interests of the company and its shareholders. Providing extensive warranties could potentially conflict with this fiduciary duty.

6.7 Minimum Acceptance Conditions

The tender offer can include a minimum threshold of shares the investor seeks to acquire. This threshold is determined by the investor's specific objectives, such as the following.

- Veto power – to gain veto rights over certain critical company decisions, the investor may aim for a minimum ownership stake. This minimum should be checked against the target company's voting requirements outlined in its governing documents. Typically, vetoing major decisions (like share classes, large transactions, restructuring, or dissolution) requires more than 35% ownership of voting shares (because the standard voting threshold for passing a shareholders' resolution on those matters is 65%).
- Passing resolutions – to have the power to pass specific resolutions at shareholder meetings, the investor will target a minimum ownership stake exceeding 50% of voting shares. This ensures control over decisions impacting general shareholders' matters.

6.8 Squeeze-Out Mechanisms

Vietnam's Law on Securities does not include a "squeeze-out" provision forcing remaining shareholders to sell after a tender offer. However, there is a mandatory buyback requirement if the investor successfully acquires more than 80% of the target company's shares through the tender offer. In this scenario, the investor must offer to purchase any remaining shares

from willing sellers at the same price terms as the original tender offer. This allows remaining shareholders a chance to exit but does not compel them to sell.

6.9 Requirement to Have Certain Funds/ Financing to Launch a Takeover Offer

To launch a public tender offer in Vietnam, investors must prove they have sufficient funds. This is achieved by securing one of the following.

- Payment guarantee – a credit institution or escrowed guarantee for the offer amount.
- Escrowed funds – depositing a sufficient amount of the funds in escrow to cover the offer.

The investor must submit this financial evidence (payment guarantee or escrow certificate) to the SSC before the SSC confirms receipt of a complete tender offer dossier.

6.10 Types of Deal Protection Measures

In Vietnam, the legal framework for public tender offers is still developing, and deal protection measures commonly used in other jurisdictions are not as prevalent.

- Limited deal protection measures – target companies in Vietnam have limited options compared to some other countries. Break-up fees, matching rights, and force-the-vote provisions in mergers are not typically used.
- Non-solicitation provisions – there is some possibility of using non-solicitation provisions in confidentiality agreements during the initial stages of exploring a potential deal. These provisions might restrict the target company from soliciting or negotiating with other potential bidders for a set period. However, the enforceability of such provisions in court can be uncertain.

6.11 Additional Governance Rights

Vietnamese law offers some rights to significant minority shareholders (holding 10% or more of voting shares, or a lower threshold specified in the company's charter).

- Board representation – these shareholders have the right to nominate individuals for the Board of Directors and Inspection Committee.

- Voting rights – shareholder resolutions at general meetings can be passed with specific majority votes depending on the matter at hand.

- (a) Normal matters – more than 50% of shareholder votes are required for approval.
- (b) Special matters – a higher threshold of at least 65% shareholder votes is needed for approval on matters like business line changes, share classes, or organisational restructuring. The company's charter might even stipulate even higher thresholds for specific matters.

6.12 Irrevocable Commitments

Negotiating irrevocable commitments is uncommon in Vietnam, but not entirely absent. The enforceability of such agreements might be uncertain. In particular, the following should be considered.

- Limited use – Vietnamese regulations do not explicitly require or prohibit these commitments. However, they are not widely used due to a few factors.
 - (a) No disclosure requirement – Vietnamese regulations do not mandate the disclosure of such pre-bid agreements. This makes them less prevalent as there is no public record or pressure to utilise them.
 - (b) Enforcement – the legal enforceability of such pre-bid commitments in Vietnam has not been thoroughly tested.
- Nature of undertakings (if used) – if such commitments are used, they would likely be structured as civil agreements between the bidder and the principal shareholders. These agreements might include the following.
 - (a) Promise to tender – the shareholder commits to tendering their shares at the offer price.
 - (b) Voting support – the shareholder agrees to vote in favour of the transaction at shareholder meetings.
 - (c) “Out” Clauses – given the potential for competing bids, it is likely that any irrevocable commitment would include an “out” clause allowing the shareholder to exit the agreement if a superior offer emerges.

6.13 Securities Regulator's or Stock Exchange Process

Launching a public tender offer in Vietnam involves a multi-step process with specific deadlines for both the investor and the target company.

- Investor pre-filing – the investor must obtain confirmation from the SSC before officially launching the tender offer.
- Target company reporting – upon receiving the tender offer documentation, the target company has three working days to report its receipt to the stock exchange where its shares are listed.
- SSC review – the SSC has seven working days to review the offer documents and issue a written confirmation of receipt.
- Public announcement – once the investor receives confirmation from the SSC (within seven working days), it must publicly announce the tender offer.
- Minimum waiting period – the tender offer can only commence at least three days after the public announcement.
- Competing offers – if a competing offer emerges during the tender period, shareholders can withdraw their initial offer to sell to the first investor. This can impact the original tender offer's timeline.

6.14 Timing of the Takeover Offer

Minimum and maximum duration – public tender offers in Vietnam must last for a minimum of 30 trading days and cannot exceed 60 trading days.

Extensions – generally, extensions are not granted unless the investor is already obligated to continue the offer due to exceeding a specific ownership threshold. See below.

Mandatory extension at 80% ownership – if the investor acquires 80% or more of the target company's voting shares during the initial tender period, they are required by law to extend the offer and continue purchasing any remaining shares from willing sellers at the original offer price for an additional 30 days.

Antitrust approval – if the tender offer raises potential competition concerns, the investor needs clearance from VCC but it is no longer a formal prerequisite for submitting a tender offer application to the SSC.

Obtaining competition clearance can take up to several months, potentially delaying the overall tender offer process.

7. Overview of Regulatory Requirements

7.1 Regulations Applicable to a Healthcare Company

Each sector of healthcare in Vietnam has distinct regulations. Understanding these is crucial for successful entry into the market. Among those sectors, attractive ones for foreign investors include: (i) healthcare services (hospitals, clinics and diagnostics); (ii) medical equipment; and (iii) pharmaceuticals.

Regulatory Landscape

The Ministry of Health (MOH) sets national healthcare policies and oversees technical guidelines. Local authorities manage health activities within their provinces. Key regulatory bodies include the following.

- Infrastructure and Medical Device Administration (IMDA) under the MOH and provincial Departments of Health (DOH) – regulating medical equipment.
- Drug Administration of Vietnam (DAV) – overseeing pharmaceuticals and cosmetics.
- Vietnam Food Administration (VFA) – managing, implementing and enforcing laws on food safety and hygiene.

Regulations by Sector

1. Healthcare Services:

- Law on Medical Examination and Treatment is the primary legislation.
- Institutional healthcare providers (hospitals and clinics) need an Operational Licence based on their size and services offered.
- Healthcare professionals (HCPs) are required to take competency assessment tests organised by the National Medical Council before applying for Practising Licences specific to their expertise (doctors, nurses, etc), effective from 1 January 2027 (for doctors), 1 January 2028 and 1 January 2029 (for other titles, as applicable).

Both licences are issued by the MOH or provincial DOH.

2. Medical equipment:

- Classification – equipment is categorised by risk level (A–D) following the ASEAN Medical Device Directive (AMDD).
- Manufacturing – requires ISO 13485 compliance and a pre-manufacturing declaration.
- Clinical trials for medical devices in Vietnam are conducted in different phases, three phases for non-in vitro diagnostic devices and two phases for in vitro diagnostic devices. Clinical trials may be exempted for Class A and B devices, and for Class C and D devices that have already been authorised for circulation.
- Circulation – companies need a circulation number to sell equipment. This can be:
 - (a) Declaration number (Class A & B) – confirmation of compliance with standards.
 - (b) Circulation registration certificate (Class C & D) – required for higher-risk equipment.
- Distribution – distributors need a declaration of eligibility before starting operations. Exemptions apply for Class B, C, and D equipment listed as regular goods by the MOH.
- Import – equipment with a circulation number in Vietnam can be imported freely. An import licence is required only for equipment imported for particular purposes (eg, research purposes) yet not having a circulation number.

3. Pharmaceuticals:

- Foreign-invested enterprises remain restricted from general wholesale and retail distribution of pharmaceutical products in Vietnam. However, the amended Law on Pharmacy and its implementing regulations permit certain foreign-invested pharmaceutical business establishments to conduct specified wholesale/distribution activities in respect of drugs and pharmaceutical ingredients that they manufacture, outsource, receive through technology transfer, or import, subject to statutory conditions.
- Pharmaceutical establishments must obtain a certificate of eligibility for a pharmacy business (“Phar-

macy Eligibility Certificate”). The MOH or provincial DOH have the authority to issue a Pharmacy Eligibility Certificate. The business activities must be conducted strictly in accordance with the type of establishment, scope, and location as specified in said Pharmacy Eligibility Certificate.

- A pharmaceutical practising certificate is required for persons responsible for:
 - (a) pharmaceutical expertise at a pharmaceutical business establishment;
 - (b) quality assurance at a drug or medicinal ingredient manufacturing establishment; or
 - (c) clinical pharmacy activities at a medical examination and treatment establishment – the pharmaceutical practising certificate is issued by the director of provincial DOH (through an approval process) or the MOH (through an examination-based process).

7.2 Primary Securities Market Regulators

The SSC is the primary regulator for mergers and acquisitions (M&A) involving listed companies in Vietnam. Operating under the Ministry of Finance (MOF), the SSC plays a crucial role in the following.

- Advising and assisting the MOF on state management of securities and stock markets.
- Directly managing and supervising activities related to the securities and stock markets.
- Overseeing service activities related to securities and stock markets, ensuring compliance with relevant legal regulations.

7.3 Restrictions on Foreign Investments

Vietnam’s healthcare industry welcomes foreign investment, governed by national investment laws and international treaties like WTO agreements and Free Trade Agreements (FTAs) with various partners. The specific conditions for foreign investors depend on the treaty to which their home country is a signatory, or Vietnamese law applies where Vietnam has not made a market-access commitment under an applicable treaty. Under the new Decree 96/2026/ND-CP guiding the new Law on investment, healthcare services remain a conditional market-access business.

Open Sectors

Healthcare and medical equipment – foreign investors generally face no limitations in establishing wholly foreign-invested enterprises (FIE), joint ventures, or business co-operation contracts for hospitals, medical and dental services, and medical equipment distribution businesses (except that a trading licence is required for retail distribution).

FIEs can invest in pharmaceutical manufacturing and other aspects of the industry.

Restricted Sector

FIEs are currently prohibited from engaging in activities directly related to pharmaceutical distribution in Vietnam, including but not limited to selling (either wholesale or retail), delivering, transporting drugs and medicinal ingredients, except for the following cases.

- A foreign-invested manufacturer may sell by wholesale drugs and medicinal ingredients that they manufacture themselves, or produce under contract or technology transfer in Vietnam. These products may be supplied to healthcare establishments, relevant research and training institutions, state testing entities, and certain pharmaceutical business establishments.
- A foreign-invested importer may sell by wholesale drugs and medicinal ingredients imported or manufactured under contract or technology transfer to pharmaceutical wholesalers, and import medicinal ingredients to supply manufacturers producing under such arrangements.

The restrictions are further extended to, among others, deciding distribution strategies and business policies for drugs and medicinal ingredients distributed by other pharmaceutical establishments, developing supply plans for healthcare facilities in Vietnam, and providing financial support to purchasers to manipulate the distribution of imported drugs or medicinal ingredients.

Navigating Investment Treaties

A country can belong to multiple international agreements with similar coverage. Therefore, foreign investors should choose the FTA that offers the most

favourable conditions for their specific investment in Vietnam.

Capital Requirements and Treaty Benefits

Vietnam's WTO commitments set minimum investment capital requirements for foreign hospitals, clinics, and specialty establishments. See **2.1 Establishing a New Company**.

However, some FTAs, like the EU–Vietnam Free Trade Agreement (EVFTA), eliminate these capital requirements for member states, providing them with a competitive advantage.

Licences and Procedures

See **2.1 Establishing a New Company**.

7.4 National Security Review/Export Control National Security Reviews

Vietnam does not have a formal, centralised national security review process for foreign investment. However, national defence and security considerations are still relevant in specific circumstances, particularly in the following instances.

- Land Use Rights – acquisitions involving target companies with land use rights in “sensitive areas” (eg, border regions, coastal zones, and areas designated as crucial for national defence) require a mandatory consultation process. During process of investment application dossiers, the provincial DOF will seek a formal opinion from the Ministry of National Defence and the Ministry of Public Security.
- Sensitive Sectors – new investment regulations maintain a list of restricted and conditional sectors where foreign ownership is scrutinised. The process for investment in sectors such as telecommunications infrastructure, publishing, nuclear energy, and offshore wind energy involves a case-by-case evaluation of the investor's background and the transaction's impact on national interests.

Investor Restrictions Based on Nationality

Vietnam maintains an open-door policy for foreign direct investment and generally avoids blanket restrictions based solely on an investor's nationality. However, different FTAs may grant varying degrees of favour-

able treatment to their signatories, and Vietnamese law allows foreign investors to rely on the agreement that offers the most favourable conditions for their investment.

Export Control Regulations

Vietnam maintains export control regulations that may also apply to certain healthcare-related goods, export of goods, technologies, and services, particularly those with potential military or security implications. Exporters are responsible for properly classifying their products and obtaining any required licences for export.

The new Law on Chemicals 2025 also introduces much stricter controls on “Specially Controlled Chemicals”, many of which are precursors used in pharmaceutical manufacturing. The export of these chemicals is subject to export permit.

7.5 Antitrust Regulations

Vietnam’s Merger Control Process

Vietnam’s MOIT oversees merger control through VCC. A filing with the VCC is mandatory if a transaction involves a significant concentration of economic power in Vietnam, regardless of whether it is domestic or cross-border.

Economic concentration may be in form of:

- mergers;
- consolidations;
- acquisitions of shares or assets; or
- joint ventures.

When Is a Filing Required?

Filing is triggered if the transaction meets one of the following thresholds, with different thresholds applying to banking, insurance, and securities sectors.

- Total turnover in Vietnam – one party has a turnover of VND3 trillion (approximately USD114 million) or more (increasing to VND6 trillion – approximately USD228 million as from 1 July 2026).
- Total assets in Vietnam – one party has total assets of VND3 trillion (approximately USD114 million) or more (increasing to VND6 trillion as from 1 July 2026 – approximately USD228 million).

- Transaction value (onshore only) – the transaction value is VND1 trillion (approximately USD38 million) or more (increasing to VND2 trillion – approximately USD76 million as from 1 July 2026).
- Combined market share – the combined market share of the parties in any relevant Vietnamese market is 20% or more.

Filing Process

The VCC conducts a two-step assessment.

- Preliminary assessment (3–4 months) – reviews transaction documents to identify potential competition concerns.
- Official assessment (up to 6 months) – in-depth investigation of the transaction’s impact on competition.

Silent approval – if the VCC does not issue a preliminary conclusion within 30 days of the initial filing, the transaction can proceed.

7.6 Labour Law Regulations

Employee Rights and Liabilities

Acquirers in Vietnamese M&A transactions should be aware of key labour law regulations concerning the following.

- Existing labour contracts of the target company (terms, conditions and compliance).
- Potential labour-related liabilities (unpaid wages, severance payments and social insurance contributions).
- Requirements for lawful termination of employment contracts (if workforce restructuring is involved).
- Practising certificates of all medical staff (doctors, nurses, and pharmacists) of the target.
- Operating licence of the target.
- Overtime registration (300-hour annual overtime cap for healthcare sector) with local labour authorities.

Work Councils and Consultation

Vietnam does not mandate works councils. However, existing trade unions in the target company can play a crucial role in employee representation and consultation during M&A, though their influence is limited.

Consulting with employee representatives or the trade union during the M&A process, especially if it involves workforce changes, is recommended for transparency and mitigating potential disputes.

Trade union opinions are not legally binding on the board of directors, who have ultimate decision-making authority.

Employee Transfer

The approach to employee transfers depends on the M&A transaction structure.

Asset transfer transactions

Employee transfers do not automatically occur with the asset transfer. Specific procedures will apply in the following instances.

- Labour Use Plan (LUP) – the target company must develop an LUP outlining how employees will be employed post-transfer (who gets transferred, who gets terminated, and financial provisions). This is a lengthy process involving trade union consultation.
- Mutual Agreements – in practice, employee transfers often occur through mutual agreements:
 - (a) Employees, the target company, and the acquirer reach agreements.
 - (b) Target company terminates existing contracts and pays out entitlements.
 - (c) Acquirer enters new employment contracts with transferred employees. (This approach aims for a smoother transition and clearer expectations.)
 - (d) Share transfer transactions – employees generally continue their employment with the target company unchanged.

7.7 Currency Control/Central Bank Approval

Vietnam does have currency control regulations, but they generally do not require central bank approval for the entire M&A transaction itself.

Currency Control Regulations

Vietnam maintains some restrictions on foreign exchange transactions overseen by the State Bank of Vietnam (SBV). Foreign investors involved in M&A deals need to ensure they comply with these regulations when dealing with foreign currency. This will

include using authorised channels for foreign currency exchange (including using the right specialised bank account for the payment of purchase price).

Central Bank Approval (Limited Cases)

In most M&A transactions, central bank approval for the overall deal is not required. However, there might be specific situations where SBV approval is necessary, such as registration of offshore loans required for financing the transaction or registration of replacing the lender of an offshore loan because it is transferred as part of the M&A transaction.

8. Recent Legal Developments

8.1 Significant Court Decisions or Legal Developments

There have not been any major court decisions reported publicly in the past three years that specifically deal with healthcare M&A transactions in Vietnam. Legal developments in this area tend to be through legislative changes or policy pronouncements, rather than court rulings.

Vietnam Streamlines Foreign Investment in Healthcare M&A

The new Law on Investment 2025 introduces several measures aimed at simplifying foreign investment in Vietnamese M&A transactions, including the healthcare sector.

Shift from conditional access

Previously, foreign investors faced specific conditions for entering conditionally open business lines in healthcare. These conditions were defined in a complex web of laws, decrees, and treaties.

Clearer path forward

The revised law introduces a streamlined approach. It establishes a definitive list of restricted sectors, while all others allow foreign investors on equal footing with domestic players. This transparency and consistency make the investment process more efficient and predictable. Healthcare services continue to be classified as a conditional investment sector for foreign investors. Accordingly, foreign investors must comply with applicable market access conditions and licensing

requirements when investing in healthcare businesses. Refer to **2.1 Establishing a New Company** and **7. Overview of Regulatory Requirements** for further details on foreign ownership restrictions and licensing requirements.

Reform of licensing procedures

Previously, foreign investors were generally required to obtain an IRC to establish an investment project before applying for an ERC to incorporate a company in Vietnam.

Under the Law on Investment 2025, foreign investors are granted greater flexibility, as they may obtain the ERC prior to finalising the IRC in certain fast-track scenarios. This allows investors to establish a legal entity earlier and proceed with preparatory steps for M&A transactions. If choosing this approach, the IRC must still be obtained within 12 months from the date of issuance of the ERC.

Reform of investment procedures

Investment procedures, including the issuance of new IRCs and approvals for capital contributions and share acquisitions by foreign investors, have been streamlined through the introduction of a linked online filing system and the reduction of the timeline for processing applications. This reform is expected to improve efficiency for mid- to large-scale healthcare M&A transactions.

Healthcare sector benefits

Emerging fields like digital healthcare and telehealth, previously not explicitly open to foreign investment, can now potentially attract international capital. This is also a trend reiterated in the new Law on Medical Examination and Treatment 2023. This paves the way for the following.

- Increased foreign investment – more foreign investment in innovative healthcare services.
- Industry growth – greater contribution to Vietnam's healthcare industry development and diversification.

Overall, the revised Law on Investment offers a more welcoming environment for foreign investors in the

Vietnamese healthcare M&A landscape, potentially accelerating innovation and growth in the sector.

9. Due Diligence/Data Privacy

9.1 Healthcare Company Due Diligence Board's Authority and Insider Trading

The board of directors of the target public company ultimately decides the following.

- Timing of information disclosure – when to share information with potential bidders during due diligence.
- Extent of information disclosure – the level of detail and type of information provided.

Balancing Transparency and Confidentiality

The board must balance transparency for bidders with the need to protect confidential information. This might involve:

- non-disclosure agreements (NDAs) – entering into NDAs with bidders to ensure confidentiality;
- access list – establishing and controlling all persons granted access to confidential or inside information;
- data room access – establishing a secured data room for controlled access to confidential information; and/or
- redacted documents – redacting sensitive information from shared documents.

Board Fiduciary Duty and Insider Trading Rules

Board members have a fiduciary duty to act in the best interests of the company and its shareholders. This includes the following.

- Allowing a reasonable level of healthcare due diligence by bidders.
- Complying with insider trading regulations that prohibit using insider knowledge for personal gain or manipulating the stock price.

Fairness and Transparency for Bidders

Public companies have a legal obligation to treat all bidders fairly and transparently throughout the M&A process. This includes the following.

- Providing the same level of publicly available information to all bidders.
- Establishing a clear and objective process for sharing confidential information, ensuring all qualified bidders have equal access.
- Disclosing information to bidders in a timely manner to allow for proper evaluation of the offer.

Level of Healthcare Due Diligence

The board's decision on the acceptable level of healthcare due diligence should consider the following.

- Nature of the transaction – the type of healthcare services or products involved.
- Company operations – the specific areas of the company's healthcare business.

The scope of due diligence might encompass the following aspects.

- Compliance with healthcare regulations – reviewing relevant licensing, accreditation, and regulatory requirements.
- Financial performance of healthcare services – evaluating the financial performance of specific healthcare service lines or products.
- Intellectual property (IP) related to healthcare – assessing the company's IP portfolio related to healthcare innovations or technologies.
- Quality of care and patient safety practices – in some cases, depending on the specific healthcare services involved, the board might allow some level of due diligence into the company's quality of care and patient safety practices.

Public Offer Requirements and Information Disclosure

When making a public offer to acquire a public company, Vietnamese regulations require the following.

- Treating all shareholders equally.
- Providing sufficient information to all parties involved for them to properly evaluate the offer.

Therefore, the board will generally provide the same information to all qualified bidders to comply with these regulations and ensure a fair bidding process.

9.2 Data Privacy

Data Protection Regulations

Vietnam's regulations on personal data protection (Law on Personal Data Protection 2025, effective from 1 January 2026, the Law on Medical Examination and Treatment 2023, and the Law on amendments to a certain article of the Law on Pharmacy 2024, effective from 1 July 2025) govern data privacy and apply to the due diligence process in healthcare M&A transactions. Those regulations protect personal data, including sensitive information like patient health data.

Challenges for Due Diligence

The data privacy regulations generally require consent from the data subject (patient) before disclosing their personal data. Obtaining individual patient consent for all data involved in due diligence can be impractical.

Alternative approaches for data sharing

- Data anonymisation – providing anonymised data that does not directly identify patients can still offer valuable insights.
- Pseudonymisation – replacing data with pseudonyms that cannot be easily traced back to individuals offers another option.
- Data sharing agreements – structured agreements outlining the specific data shared, purpose, security measures, and data destruction after due diligence can be established.

Cross-Border Data Transfer Considerations

If the acquirer is a foreign entity, transferring Vietnamese citizen data requires additional steps.

- Impact assessment – the target company must prepare an assessment detailing the reasons, purposes, and data subject consents for the transfer.
- Data transfer agreement – a written agreement with the foreign recipient outlining data security practices must be established.
- Dossier and reporting – the target company must maintain records of the assessment and send a copy to the Ministry of Public Security within 60 days from the initial date of data transfer.

10. Disclosure

10.1 Making a Bid Public

See 6.2 Mandatory Offer and 6.13 Securities Regulator's or Stock Exchange Process.

10.2 Prospectus Requirements

With respect to a stock-for-stock public tender offer, the offering party must submit a prospectus to the SSC, which needs to detail two key aspects.

- Ownership breakdown – the volume of shares, convertible bonds, warrants, and options to purchase the target company that the offering party and its affiliates hold directly or indirectly through third parties.
- Transaction history – details of past or ongoing transactions and undertakings related to the target company's shares.

Listing requirement for foreign acquirers – for foreign offering parties involved in a stock-for-stock public tender offer with a Vietnamese target company, an additional step is required. Upon completion of the offer, the foreign acquirer's shares must be listed or registered for trading on a Vietnamese securities trading system.

10.3 Producing Financial Statements

The requirement for including financial statements in a public tender offer application depends on the type of offer.

Cash-Based Public Tender Offer

While not always mandatory, the SSC might request the foreign offering party's financial statements during their review of the tender offer application. This helps them assess the financial capacity of the acquirer to complete the cash purchase.

Stock-for-Stock Public Tender Offer

Since stock-for-stock tender offers are considered public offers in Vietnam, the foreign offering party must register the offer and provide financial statements.

Financial statement requirements

- Annual statements – the offering party must submit their most recent annual financial statements, audited by an authorised auditing firm in their home country.
- Quarterly statements – the most recent quarterly financial statements are also required.
- Accounting standards – these financial statements do not need to comply with Vietnamese Accounting Standards (VAS). They can be prepared according to internationally recognised standards.

10.4 Disclosure of Transaction Documents

While the SSC does not require submitting the entire transaction agreement for a public tender offer, the application itself needs to disclose specific key terms and conditions, including the following.

- Transaction price – the specific price being offered for the target company's shares or assets.
- Transaction purpose – a clear explanation of the rationale behind the tender offer.
- Payment method – whether the offer is for cash or involves an exchange of shares (stock-for-stock).
- Target company's future plans – the intended business direction for the target company after the offer is completed.

By disclosing these essential details in the tender offer application, the SSC and target company shareholders have a clear understanding of the offer's terms.

11. Duties of Directors

11.1 Principal Directors' Duties

The Law on Enterprises outlines the core fiduciary duties of directors in Vietnam. These duties emphasise acting in the best interests of the company and its shareholders. In a business combination, this may translate to directors making decisions that maximise shareholder value, ensure the long-term sustainability of the company, and comply with all applicable laws and regulations.

Directors have a duty to provide full and fair disclosure of all material information concerning the business combination to the company's shareholders.

This information should allow shareholders to make informed decisions regarding the proposed transaction.

Directors must avoid conflicts of interest. They should not engage in any personal activities that could potentially harm the company or its shareholders. This is particularly important during business combinations where directors might have personal incentives that could influence their decisions.

11.2 Special or Ad Hoc Committees

It is not as common in Vietnam for boards of directors to establish special or ad hoc committees for business combinations. However, their use may be useful in larger or complex transactions. Here is a breakdown of the reasons for and against using special committees, as well as the role of conflicts of interest.

Reasons for Using Special Committees

- Enhanced expertise – special committees can be composed of independent directors with specific expertise in M&A transactions. This can provide valuable knowledge and guidance during the negotiation and decision-making process.
- Conflict of interest mitigation – if a significant number of directors have a potential conflict of interest related to the business combination, a special committee composed of independent directors can help ensure a more objective and fair evaluation of the transaction.
- Improved negotiation leverage – a dedicated committee with authority to negotiate can potentially streamline the process and improve the company's bargaining position.

Reasons Why Special Committees Might Not Be Used As Often

- Smaller transactions – many business combinations in Vietnam might be smaller in scale, where the cost and complexity of establishing a special committee might not be justified.
- Board composition – if the board already has a strong representation of independent directors with relevant experience, forming a separate committee might be less necessary.

- Regulatory requirements – Vietnamese regulations do not explicitly mandate the use of special committees for business combinations.

11.3 Board's Role

Once the board receives a tender offer application from the bidder(s), Vietnamese regulations require them to disclose this information to the company's shareholders within ten days. This disclosure should be accompanied by a written assessment and recommendation from the board itself.

The board's assessment and recommendation typically focus on two key aspects.

- Fairness – whether the offer provides a fair value to the company's shareholders compared to the current market price and other relevant factors.
- Shareholder's impact – the potential impact of the tender offer on the company's future prospects, employees, and other stakeholders.

In situations where the tender offer is considered "friendly" (meaning it is supported by the board), the offering entity or individual will typically engage in direct negotiations with the board. This allows for a more collaborative process and can help ensure the terms of the offer are mutually beneficial.

11.4 Independent Outside Advice

In Vietnamese business combinations and takeovers, directors typically rely on several forms of independent outside advice to make informed decisions. Here is a breakdown of the most common types.

- Legal counsel – engaging experienced M&A lawyers is crucial. They advise the board on legal aspects of the transaction, ensure compliance with regulations, and help navigate potential conflicts of interest.
- Financial advisers – financial advisers provide expertise in valuing the company and the target company (if applicable). They can also assist with the following.
 - (a) Negotiation strategy – developing a negotiation strategy to maximise shareholder value.
 - (b) Financial modelling – creating financial models to assess the financial implications of the trans-

action.

(c) Fairness opinion (optional) – while not mandatory in Vietnam, some boards might request a fairness opinion from the financial adviser.

This can be helpful for the board in making its recommendation and can also enhance transparency for shareholders.

- Tax advisers – tax advisers are essential for understanding the potential tax consequences of the transaction for both the company and its shareholders.

Trends and Developments

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Kinstellar Southeast Asia is a well-established and highly regarded law firm, whose Vietnam office consists of more than 30 Vietnamese and foreign lawyers. Kinstellar Southeast Asia has built an excellent reputation in Vietnam as a result of many years of on-the-ground experience, together with the impeccable track record of Kinstellar's offices in 13 other jurisdictions across Central and Eastern Europe and Central Asia and now Southeast Asia. Kinstellar Southeast Asia acts for multinational corporations, UK, US, European, Japanese, Chinese and other Asia-Pacific law firms, as well as global, regional and local invest-

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Vietnam's Healthcare Market: Growth Drivers, Regulatory Landscape, and Investment Opportunities

The healthcare market in Vietnam

Demand

Vietnam has a population of more than 100 million people and is currently classified by the World Bank as a lower-middle-income country. Vietnam's population growth rate has steadily fallen during the last 60 years, from 3.9% in 1960 to 1.14% in 2019 and 0.99% in 2025. This population growth rate is expected to continue to decline during the foreseeable future. The corollary of this decline in population growth rate is an ageing population.

Vietnam aims to be elevated to upper-middle-income country status by 2030 and to high-income country status by 2045. According to the Ministry of Home Affairs, a middle class (defined on the basis of per-capita spending from USD11 to USD110 per day) is forming rapidly in the large cities of Vietnam and accounts for approximately 13% of the total population (with this percentage expected to increase to 26% by 2026). By 2030, Vietnam is projected to have an additional 23.3 million people enter the middle class, making it the country in ASEAN with the third-highest growth in middle-class population.

The number of foreign citizens living and working in Vietnam is also steadily increasing. As of February 2026, the approximate number of foreign citizens living and working in Vietnam was 165,000 – a significant increase when compared with the estimated number of 101,550 at the end of 2021.

An ageing population, a rapidly expanding middle class, and increasing numbers of foreign workers are all factors which exert strong and positive influence on the growth of demand for quality healthcare services in Vietnam.

In addition, many Vietnamese people's overall levels of health awareness have increased significantly as a result of the Covid-19 pandemic and its aftermath. This factor, combined with overcrowding within the public hospital system in Vietnam, has resulted in higher demand for general medical and long-term care services in Vietnam.

Healthcare market and state expenditure

Vietnam's healthcare system consists of both public and private healthcare providers, overseen from a regulatory perspective by the Ministry of Health (the MOH).

Public hospitals in Vietnam are classified into four levels, namely Special Level, Level I, Level II and Level III. These classifications are determined by evaluating criteria related to the scale and scope of activities, human resources, and professional capacity, as well as infrastructure and equipment.

Public hospitals currently play fundamentally important roles in the provision of healthcare services to people in Vietnam. For example, many Vietnamese people will present themselves at a public hospital in order to procure first-instance care – as opposed to the situation in many more developed countries, where people will in most cases consult with a private

general practitioner at the local clinic before considering attendance at a hospital.

As of October 2025, there were 2,106 registered hospitals in Vietnam, of which the number of private hospitals was 406, accounting for 19.28%. The majority of these hospitals are located in major urban areas such as Ho Chi Minh City, Hanoi and Danang.

In relation to healthcare expenditure in Vietnam, total expenditure appears to be divided between public and private expenditure in almost equal proportions. As of December 2023, private sector expenditure accounted for approximately 49.5% of total healthcare expenditure in Vietnam, although only approximately 6% of the total number of hospital beds in Vietnam were provided by private operators. The Vietnamese government has stated in its key national healthcare network plans an intention to increase the proportion of private hospital beds (as compared with public hospital beds) up to 15% by 2030 and up to 25% by 2050.

Increasing demand for healthcare services has also driven significant increases in Vietnam's national healthcare spending. For example, per-capita public expenditure on healthcare services increased from USD149 per capita per year in 2017 to USD270 per capita per year in 2025, and is projected to rise to USD328 within the next three years.

Regulation

Investment in the healthcare sector in Vietnam is regulated by two main bodies of legislation, namely:

- general regulations relating to investment and business activities in Vietnam; and
- specific regulations relating to the provision of healthcare services (including manufacture and/or distribution of pharmaceutical products) in Vietnam.

Investment laws

The laws which primarily regulate investment activities and the operation of enterprises in Vietnam are the Law on Investment (2025) and the Law on Enterprises (2020, as amended) – together with their various respective implementing legislation – among others.

Under these key investment and related laws, there is no foreign ownership cap or other market access barrier which applies to foreign investors, in relation to the development, ownership, or operation of hospitals, except for certain requirements for minimum investment capital in relation to investment projects in the hospital sector. Nor are there any foreign ownership restrictions or market access barriers which apply in relation to the development, ownership, or operation of healthcare clinics.

Whilst there are no foreign ownership restrictions or other market access barriers in relation to the manufacture of pharmaceutical products in Vietnam, foreign invested enterprises remain restricted from general wholesale and retail distribution of pharmaceutical products in Vietnam. However, the amended Law on Pharmacy and its implementing regulations permit certain foreign-invested pharmaceutical business establishments to conduct specified wholesale/distribution activities in respect of drugs and pharmaceutical ingredients that they manufacture, outsource, receive through technology transfer, or import, subject to statutory conditions.

The private healthcare sector is eligible for investment incentives under the Law on Investment (2025). Eligible investors have the potential to enjoy a range of investment incentives, including the application of a lower corporate income tax rate, exemption from or reduction of import duties on certain types of imported goods, and/or exemption from or reduction of land use fees.

Healthcare laws

The provision of healthcare services in Vietnam is primarily governed by the Law on Medical Examination and Treatment (2023) (the "Medical Law") and its implementing legislation. The current Medical Law was adopted by the National Assembly of Vietnam in 2023. Decree No 96/2023/ND-CP dated 30 December 2023 has been issued under the Medical Law and provides general guidance as to its implementation.

All private healthcare facilities in Vietnam are required to obtain an operational licence from the MOH or the relevant provincial or municipal Department of Health (the DOH), depending on the scale and scope of their

operations. Medical practitioners must also obtain specific licences in order to be able lawfully to practise medicine in Vietnam.

In terms of pharmaceutical products, the Law on Pharmacy (2016) (as amended) is the key regulating law, together with its implementing legislation.

Significant regulatory developments

On 21 November 2024, the National Assembly of Vietnam adopted a law amending and supplementing the Law on Pharmacy (2016) (the “Law on Pharmacy Amendment”). The Law on Pharmacy Amendment aimed to address practical requirements within the pharmaceutical sector, attract foreign investment into the pharmaceutical sector, and enhance domestic pharmaceutical production and distribution. The Law on Pharmacy Amendment took effect from 1 July 2025.

Significant changes arising from the Law on Pharmacy Amendment include the following.

- Regulation of pharmacy chains – the Law on Pharmacy Amendment sets out a robust legal framework for the operation of pharmacy chains in Vietnam, thereby filling a gap which existed under the Law on Pharmacy (2016). The Law on Pharmacy Amendment defines a pharmacy chain as being a system of pharmacies operating under a unified quality management system and a single trade name. The Law on Pharmacy Amendment also establishes specific requirements for the professional qualifications of individuals responsible for managing pharmacy chains and the conditions for their operation.
- Expansion of pharmaceutical business and distribution methods – the Law on Pharmacy Amendment standardises the regulatory regime for selling pharmaceutical products through e-commerce platforms, online shopping applications, and e-commerce websites with online ordering functions. Pharmaceutical businesses must notify the governmental authorities of competent jurisdiction when engaging in e-commerce activities, and must comply with regulatory requirements governing their rights and obligations.

- Reform of pharmaceutical and medicinal ingredient registration procedures – the Law on Pharmacy Amendment streamlines key processes by reducing the required documentation for renewing, modifying, or supplementing drug and pharmaceutical ingredient registration certificates. The Law on Pharmacy Amendment also shortens processing times in certain cases, for example, where the revised or supplemented content does not affect the quality, safety, or efficacy of the drug. These reforms facilitate the process of introducing pharmaceutical products into the Vietnam market, and support businesses in saving costs and time in relation to product registration procedures.
- Pharmaceutical price management measures – the Law on Pharmacy Amendment introduces regulations to align drug pricing policies with the Law on Prices. Notably, wholesale prices for prescription drugs must be publicly disclosed, and wholesale transactions through intermediary distribution channels must not exceed the announced prices.
- Standardisation of legal framework for foreign-invested enterprises (FIEs) participating in the pharmaceutical industry – before the Law on Pharmacy Amendment, the business rights of FIEs in relation to the pharmaceutical sector were primarily regulated by implementing legislation issued under the Law on Pharmacy (2016). This situation resulted in a relatively unstable and opaque legal framework for foreign investment in the pharmaceutical sector. To address these issues, the Law on Pharmacy Amendment sets out in detail the rights and obligations of FIEs participating in the pharmaceutical sector, based on the type of pharmaceutical business in which the FIEs engage or wish to engage. Notably, FIEs are now able directly to distribute the drugs which they manufacture themselves in Vietnam, have manufactured for them under contract in Vietnam, or which have been the subject of technology transfer into Vietnam. These changes are designed to encourage foreign investment in the pharmaceutical sector, and also establish a foundation to ensure predictability and transparency in state management of business activities in the pharmaceutical sector in Vietnam.

On 29 June 2025, the government issued Decree No 163/2025/ND-CP detailing a number of articles of, and

providing measures for the implementation of, the Law on Pharmacy Amendment (the “Decree 163”). Decree 163 took effect from 1 July 2025.

Notably, Decree 163 introduces several new measures aimed at preventing misleading pharmaceutical advertising and preventing misrepresentation of a drug’s uses. These include, among others:

- expanding the list of prohibited phrases and contents in drug advertisements, to prevent overstatement and misrepresentation of a drug’s uses; and
- strengthening the requirements applicable to pharmaceutical advertising across media channels, to ensure that information presented to the public is accurate and not misleading.

These changes reflect a clear policy shift towards enhanced consumer protection, which healthcare business operators in Vietnam must take into account to ensure compliance.

Healthcare investment trends

Attracting private investment in healthcare infrastructure

The Vietnamese government actively encourages private sector participation in the healthcare sector. The Medical Law contemplates private investment being encouraged in the following areas:

- establishment of private medical facilities;
- formation of public–private partnerships for healthcare infrastructure development; and
- public hospitals leasing and purchasing medical equipment and ancillary services from the private sector.

Further specific legislation in relation to PPP investment in the healthcare sector is being formulated.

Establishment of pharmaceutical industrial parks

In Vietnam, industrial parks are generally concerned with the manufacture or production of industrial products and attract various types of investment and business incentives, including favourable tax treatment. As outlined in Decision No 376/QĐ-TTg dated 17 March 2021 of the Prime Minister – which approves a programme for development of the pharmaceutical

industry and domestically produced pharmaceutical materials in Vietnam through to 2030 with a vision to 2045 – plans have been formulated to allocate land for the establishment of pharmaceutical industrial parks. The key objective of these special-purpose industrial parks will be to attract both domestic and foreign investors to manufacture in Vietnam patented pharmaceutical products, specialised medications, generic pharmaceutical products with advanced dosage forms, vaccines, and medical-biological products, to meet both domestic and export demands.

In alignment with this vision, the MOH is collaborating with the municipal and provincial authorities of Ho Chi Minh City and Hung Yen province (formerly Thai Binh province) to establish pharmaceutical industrial parks in these regions. Ho Chi Minh City has designated Le Minh Xuan 2 Industrial Park, located in Binh Loi commune (formerly Le Minh Xuan commune, Binh Chanh district), for the development of a specialised medical and pharmaceutical industrial park spanning 338 hectares. Once operational, this industrial park aims to attract investment in high-tech pharmaceutical and medical fields, including biotechnology, specialty drugs, cancer treatments, plasma-derived products, and the application of nanotechnology in drug formulation. It will also serve as a hub for the production and trade of specialised medical and pharmaceutical products, particularly in the high-tech segment. This industrial park is projected to become fully operational by 2031. Simultaneously, the procedures for implementing the pharmaceutical-biotechnology industrial park project in Hung Yen province (formerly Thai Binh province) are being expedited by relevant state authorities. This planned industrial park covers an area of over 292 hectares, with an estimated infrastructure investment of approximately VND3,800 billion (approximately USD152 million). This industrial park is expected to attract around USD2 billion in investment, including USD800 million during the 2024–2027 phase and USD1.2 billion during the 2028–2030 phase.

In May 2025, Vietnam Vaccine Joint Stock Company (VNVC) commenced construction of the VNVC Vaccine and Biological Products Manufacturing Plant. This project entails an initial investment of approximately VND2,000 billion (approximately USD75 mil-

lion) and is being developed on a site of over 26,000 m² at Phu An Thanh Industrial Park, Ben Luc District, Tay Ninh Province (formerly Long An Province). This plant represents a strategic collaboration between VNVC and Sanofi Group – a leading French multinational pharmaceutical group – to manufacture high-tech vaccines for the Vietnamese market as well as exports to other countries in the Asia-Pacific region and potentially elsewhere. This plant is expected to become operational by the end of 2027.

M&A in relation to hospitals and medical facilities

Several noteworthy M&A transactions were successfully completed within Vietnam's healthcare industry during 2025 and 2026-to-date, with a combined disclosed value of approximately USD611 million. Prominent among these transactions were the following.

- In April 2025, Creador VI L.P. acquired a 13% stake in FPT Long Chau Investment JSC, operator of the Long Chau pharmacy chain. This transaction valued Long Chau at approximately USD1.3 billion, reflecting the growing attractiveness of Vietnam's pharmaceutical market.
- In June 2025, an investment vehicle managed by Quadria Capital acquired a 73.15% equity stake in Tam Tri Medical Group, the owner and operator of a prominent chain of hospitals in Vietnam. Although the transaction value was not expressly disclosed, commentators have estimated a likely implied valuation of between USD100 million and USD120 million in relation to this transaction.
- On 23 October 2025, MEDLATEC Group announced that Ares Asia Private Equity, a fund connected with Ares Management Corporation, has officially become its strategic investor. This investment was reportedly valued at USD150 million and resulted in Ares Asia Private Equity holding a 30% equity stake in MEDLATEC Group.

M&A activity in the healthcare sector is expected to grow significantly during 2026 and into 2027, particularly across the hospital, diagnosis, and pharmaceutical segments. This anticipated growth is driven by the increasing demand for high-quality healthcare services and the expanding middle class. Notably, in

March 2026, Lian SGP Holding Pte. Ltd. (an indirect subsidiary of the China-based Livzon Pharmaceutical Group Inc.), following merger clearance at the end of 2025, announced its public tender offer for over 120 million shares, equivalent to 77.94% equity stake, in Imexpharm Corporation. The tender offer was completed in May 2026, with Lian SGP acquiring approximately 104.5 million shares, equivalent to 67.87% of Imexpharm's charter capital, thereby becoming Imexpharm's controlling shareholder. This investment aims to facilitate foreign technology transfer and promoting the development of new pharmaceutical products in Vietnam.

From a legal perspective, Vietnam's healthcare sector continues to welcome foreign investment, aligning with the country's accession commitments to the WTO. Foreign investors have various options available to them for participation in the healthcare sector in Vietnam, including establishment of wholly foreign-owned hospitals or clinics, formation of joint ventures with Vietnamese partners, or entry into business co-operation contracts with local partners. The minimum investment capital required varies, depending upon the nature of an investment project in the healthcare sector, for example, USD20 million for hospitals, USD2 million for general clinics (polyclinics), and USD200,000 for specialised treatment facilities. These investment opportunities reflect Vietnam's commitment to fostering collaboration and innovation in healthcare delivery while facilitating international partnerships to enhance the sector's development and accessibility.

Outlook

Jurisdiction-specific factors such as changing demographics, deterioration of existing resources, increasing sophistication of patients, increases in chronic diseases and conditions, and the rapid development and adoption of technology, are expected to continue to drive strong market demand and M&A activity in the healthcare sector in Vietnam for the foreseeable future, despite the geopolitical headwinds which are being faced by Vietnam as well as by many other countries worldwide as a result of armed conflicts and their strategic and economic repercussions.

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