© IJARW | ISSN (O) - 2582-1008
November 2026 | Vol. 8 Issue. 5
www.ijarw.com

MERGER CONTROL IN VIETNAM AFTER THE 2026 THRESHOLD REFORM: NOTIFICATION, COMPETITIVE EFFECTS AND PROCEDURAL CERTAINTY

Tống Thị Thu Trang

Department of Law, TNU – University of Sciences, Thai Nguyen, Vietnam

ABSTRACT

Vietnamese merger control combines transaction notification with substantive review of economic concentrations that may significantly restrict competition. This article examines the Competition Law 2018, Decree No. 35/2020/ND-CP and the 2026 adjustment of notification thresholds under Resolution No. 66.18/2026/NQ-CP. For eligible non-financial transactions, the changes effective 1 July 2026 doubled asset and turnover thresholds from VND 3,000 billion to VND 6,000 billion and the transaction-value threshold from VND 1,000 billion to VND 2,000 billion; the combined-market-share test requires separate attention. The paper distinguishes notification triggers from substantive prohibition, assesses market definition, competitive effects, efficiencies and remedies, and identifies uncertainty in transaction valuation and connected-party calculations. It proposes clearer guidance for complex deals, predictable pre-notification engagement and transparent publication of reasoned decisions. The study argues that higher thresholds can reduce unnecessary filings only if procedural reforms preserve effective scrutiny of transactions that threaten market competition.

Keyword: Economic concentration; Merger control; Competition Law 2018; Notification thresholds; Vietnam Competition Commission; 2026 reform.

1. INTRODUCTION

Mergers, acquisitions and joint ventures may generate scale efficiencies, enable investment and accelerate entry into new markets. They can also reduce the number of independent competitors, strengthen market power or make exclusionary strategies more effective. Merger control seeks to distinguish transactions whose commercial benefits are compatible with competition from those likely to cause significant harm.

Vietnam's Competition Law 2018 established a system of review based on the competitive effects of economic concentration. Decree No. 35/2020/ND-CP provided notification thresholds and assessment guidance. A major administrative adjustment followed in 2026: Resolution No. 66.18/2026/NQ-CP raised three notification thresholds for transactions involving enterprises outside specified financial sectors, effective from 1 July 2026. Any up-to-date account of Vietnamese merger control must therefore distinguish the post-reform regime from historical thresholds.

The article uses doctrinal analysis of the governing instruments and the functions of merger review. It examines notification, substantive evaluation, timing and remedies, rather than attributing unverified transaction statistics to the authority. Its guiding question is whether raising filing thresholds can improve administrative proportionality without leaving competitively significant transactions outside effective scrutiny.

2. ECONOMIC CONCENTRATION AND NOTIFICATION TRIGGERS

The Competition Law 2018 covers forms of economic concentration such as mergers, consolidations, acquisitions, joint ventures and other legally prescribed forms. Notification is a procedural obligation triggered by the applicable thresholds; it is not a finding that the transaction is anticompetitive. The substantive assessment separately asks whether the concentration causes or is likely to cause a significant restrictive effect on competition in the Vietnamese market.

Under the post-1 July 2026 adjustment, for qualifying transactions involving enterprises that are not credit institutions, insurance businesses or securities companies, the relevant asset threshold

is VND 6,000 billion in Vietnam, the relevant turnover or purchase-volume threshold is also VND 6,000 billion, and the transaction-value threshold is VND 2,000 billion. These replaced thresholds of VND 3,000 billion, VND 3,000 billion and VND 1,000 billion respectively. The combined-market-share threshold was not among the three doubled thresholds and must be assessed under the applicable rules.

Practical classification problems arise where the transaction comprises several related acquisitions, contingent consideration or indirect control through a group. Turnover and assets may need to be considered at the appropriate group level, and contractual value does not always coincide with economic value. Businesses should document the computation of each independent trigger instead of relying on one headline deal value.

3. MARKET DEFIN ITION AND SUBSTANTIVE COMPETITIVE EFFECTS

Relevant-market definition is an analytical aid rather than an end in itself. It helps identify substitutes, geographic constraints and the competitive pressure remaining after a transaction. The authority must evaluate whether market power, barriers to entry, access to essential inputs, buyer power and other relevant circumstances indicate a significant restriction of competition.

Horizontal combinations raise concerns about eliminating rivalry among direct competitors. Vertical transactions may affect access to distribution channels, customers or indispensable inputs. Conglomerate arrangements may facilitate tying or leverage across related markets in particular circumstances. None of these categories creates an automatic presumption of illegality; the inquiry is how the deal changes incentives and feasible competitive behavior.

Efficiencies may be relevant to the commercial and competitive assessment, but they should be demonstrable and merger-specific rather than asserted generally. Greater output, improved logistics and new technology can benefit customers, yet claimed efficiencies do not by themselves cure the risk of foreclosure or market power. A reasoned decision should explain which effects were established, which remained uncertain and how that uncertainty influenced the outcome.

4. PROCEDURE, REMEDIES AND DEAL PLANNING

Merger planning must distinguish the signing of a transaction from its legal completion. Where notification is required, parties should prepare competition analysis early and avoid implementing steps that would frustrate prior review obligations. Commercial urgency is not a substitute for compliance. Documentary planning should cover ownership structure, group-level metrics, market shares, customers, suppliers and credible competitive alternatives.

A two-stage review model permits relatively straightforward cases to move more rapidly while directing deeper analysis to complex matters. Its effectiveness depends on sufficient information, transparent requests and clear communication about review timing. Informal pre-notification engagement can improve the quality of submissions if access and treatment are consistent among applicants.

Where a transaction poses concerns, remedies should address the identified mechanism of competitive harm. Structural measures may remove overlaps or restore independent competitive capacity. Behavioral commitments can regulate access or conduct but need careful monitoring and may be less reliable if they require constant oversight. A proportional system should state why the selected remedy is likely to work in the actual market context.

5. ASSESSING THE 2026 REFORM

Higher thresholds can lower compliance costs for smaller transactions and free administrative capacity for deals with greater potential competitive significance. However, larger financial triggers do not guarantee that a small-value acquisition is harmless, especially in niche markets or technology sectors. The continuing market-share trigger and substantive framework therefore remain important safeguards, and authority guidance is needed for markets with scarce or volatile data.

The reform also creates a transition issue: transaction teams need to identify which threshold rules apply at the relevant filing date and whether sector-specific exceptions change the analysis. Guidance should address restructurings within corporate groups, convertible instruments, contingent acquisitions and multi-stage deals. A

publicly available calculation note would be especially valuable for small and medium-sized businesses entering acquisitions for the first time.

Publication of anonymized decisions and consistent analytical summaries would improve legal certainty without compromising confidential business information. Businesses could understand what evidence materially affected review, while competitors and the public could see how competition concerns are treated. Such transparency supports both investor confidence and the legitimacy of the regulator's decisions.

6. CONCLUSION

Vietnamese merger control increasingly combines effects-based competition analysis with a more proportionate notification regime. The 2026 threshold adjustments are significant but should not be confused with relaxation of the legal prohibition on concentrations that substantially restrict competition. They change the filing gateway for relevant enterprises, not the underlying public interest in competitive markets.

Practical improvements should focus on reliable group calculations, guidance for complex deal structures, credible efficiency evidence, pre-notification dialogue and transparent remedies. These measures would support transactions that contribute to investment while improving scrutiny of deals that threaten durable competitive harm.

7. ACKNOWLEDGEMENTS

The author would like to thank TNU- University of Sciences for supporting us to complete this article.

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