truefriend KIS Viet Nam Securities Corporation

Sector Brief

23 Sep 2021

Insurance

Non-rated

FOL 100% - Untie knots for foreign investment

On Aug 31st 2021, Ministry of Planning and Investment (MPI) offically updated "detailed requirement for market access" towards industries with conditional market access to foreign investors, including insurance industry. With new update from MPI, Requirement clearly stated that "Not limited" for Foreign ownership at insurance companies. It will untie knots for foreign capital flowing more into domestic foreign industry.

Given the fact that insurance was in the list of conditional market access to foreign investors for a long time but there was no clear regulation about foreign ownership limit (FOL). Accoridng to Article 139, Decree 155/2020/ND-CP said that: "In case industry listed for conditional market access to foreign investors but no detailed regulated about FOL, it is applied FOL as 50% of charter capital". Thus, both insurance companies and their foreign partners understood that foreign ownership at insurance companies is limited to 50%.

Current FOLs and foreign ownership at listed insurance companies are as below:

Table 1. Foreign ownership at insurance companies (% , %)

	Ticker	Foreign ownership limit	Foreign ownership
1	BIC	49.0	46.4
2	BLI	49.0	0.8
3	BMI	49.0	32.4
4	BVH	49.0	26.7
5	MIG	49.0	2.9
6	PGI	49.0	20.7
7	PRE	49.0	0.01
8	PTI	49.0	37.7
9	PVI	100.0	55.0
10	VNR	49.0	27.8

Source: VSD
Data updated as of Sep 22nd 2021

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