

Circular 08/2026/TT-BTC

Brief summary and commentary

Summary of the key contents of the circular

Circular 08/2026/TT-BTC, issued on February 3, 2026, serves as a crucial legal document to finalize the technical conditions for market upgrade, focusing on three main pillars:

- *New global brokerage mechanism:* The circular is a breakthrough in administrative procedures, allowing foreign investors to place orders through international brokerage institutions. Accordingly, foreign investors will not have to open a direct account in Vietnam, simplifying the entry process for large capital flows.
- *Optimization of non-prefunded (NPF) transactions:* The circular completely removes the limit on the list of stocks eligible for NPF, creating equality for all listed stocks. In addition, the transaction error handling mechanism has been refined to prioritize the security of information regarding violations, preventing market disruption, while maintaining strict suspension penalties for violating organizations.
- *Transparency and asset segregation:* New regulations allow foreign fund management companies to separate proprietary trading accounts and managed accounts for clients. Furthermore, loosening technical cross-ownership in NPF transactions helps resolve bottlenecks for large financial institutions when trading blue chips related to securities companies placing orders.

Impact on the market and the upgrade roadmap according to FTSE Russell

Circular 08/2026/TT-BTC is considered the final piece in the legal framework, directly addressing technical recommendations from FTSE Russell:

- *Meeting FTSE's qualitative criteria:* The two biggest barriers frequently mentioned by FTSE Russell are "Payment cycle" and "Account opening procedures." The widespread application of NPF and the new global brokerage mechanism has directly addressed these concerns. This helps Vietnam approach Secondary Emerging Market standards in terms of both operational efficiency and market openness.
- *Strengthening confidence in the March 2026 review:* This is an important review period for FTSE Russell to acknowledge practical reforms before making the final decision. Circular 08 provides a solid legal basis for international organizations to conduct trials and evaluate the actual operating system.
- *Consolidating the September 2026 roadmap:* With the legal framework finalized in early 2026, the market should have enough time to prove the stability of the new system. It is highly likely that Vietnam will be officially upgraded by FTSE Russell in September 2026, leading to a significant increase in both passive and active capital flows.

Updates on potential stocks eligible for inclusion in the All Cap Index

- As mentioned in the *Vietnam Stock Outlook 2026 Report*, FTSE Russell has released a list of 28 stocks (from small to large cap) eligible for inclusion in the FTSE Global All Cap Index, based on data up to the end of 2024. Although the final results may change when the official announcement takes effect in September 2026, based on quantitative criteria, KBSV believes that stocks classified as largecaps and midcaps will be included in the index, while the classification of smallcap stocks will change more significantly due to fluctuations in market capitalization and trading volumes.

Table 1. Vietnam – Stock eligible for inclusion in the index

| | Free float (%) | Remaining foreign room (based on the stake investors are allowed to own) | Market capitalization (USDbn) | Classification by FTSE Russell |
|-----|----------------|--|-------------------------------|--------------------------------|
| VIC | 35.00% | 94% | 38.3 | Large |
| VCB | 11.00% | 30% | 22.8 | Large |
| VHM | 30.00% | 83% | 15.2 | Large |
| HPG | 55.00% | 58% | 7.8 | Large |
| VNM | 40.00% | 50% | 5.7 | Mid |
| MSN | 60.00% | 77% | 4.6 | Mid |
| SAB | 11.00% | 42% | 2.5 | Mid |

Source: KB Securities Vietnam

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

| Buy: | Neutral: | Sell: |
|--------------|--------------|--------------|
| +15% or more | +15% to -15% | -15% or more |

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

| Positive: | Neutral: | Negative: |
|-----------------------|---------------------------------|-------------------------|
| Outperform the market | Perform in line with the market | Underperform the market |

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