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Legal on Disclosure of Information on the Securities Market in the Process of International Integration and Issues in Vietnam

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ABSTRACT

The need for globalization is one of the most important factors promoting the compatibility and conformity of national legal regulations with international standards and practices. For almost of countries, especially developing countries like Vietnam, international economic integration and efforts to reform the investment and business environment will be a prerequisite to attract investors and affirm its position in the international arena. To realize this goal, information disclosure of public companies is considered as an essential factor contributing to the process of building a transparent and sustainable market. Therefore, the completion of the legal framework and the application of appropriate solutions to ensure the effective and strict implementation of the law are indispensable requirements, contributing to the upgrade of the securities market in Vietnam and making it become a high quality and competitive one.

Keywords: *information disclosure, the securities market.*

I. INTRODUCTION

Information is news and data helping the audience get more informed about the issue of interest (Institute of Linguistics, 1997). The securities market – “*where securities are traded according to certain rules*” (Longman Dictionary of Business English, 1985) – is an extremely sensitive market to information. Asymmetric information theory has shown that not all investors participating in the securities market have the opportunity to own the same amount of information in terms of quantity or quality (Auronen, 2003, pp. 7). In simple terms, information on the securities market will sometimes bring huge profits to some investors, but it can also seriously affect businesses and other investors.

According to IFC (2010), disclosure is defined as a way to ensure that all interested parties can access information through a transparent process to ensure that finding and gathering information is easy, regardless of the purpose of accessing the information. Information

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disclosure plays a very important role in the securities market. If the information is fully and accurately disclosed, it will have a very positive impact on investor beliefs, the development of the securities market, and vice versa. Disclosure of information on the securities market also helps management agencies to manage and supervise the market more effectively. The easy access to timely and reliable information of enterprises helps managers can properly assess the market overview, thereby making appropriate adjustments in policies limiting and preventing possible violations in the securities market. For companies, which are the subjects of disclosing information, the release of fast, accurate information that honestly reflects the company's performance is considered the most objective and effective means of the influence of brand image and company reputation in the market, from which the published information will be "leverage" for the value of tangible and intangible assets of the company to be enhanced. Disclosure on the securities market helps companies reduce capital mobilization costs and increase operational efficiency (Lyle. N, 2008, pp. 136).

In order to promote the sustainable development and transparency of the securities market as well as improve the effectiveness of the protection of interests of investors, the law on information disclosure on the securities market must be completed with the utmost importance is implementing solutions to restructure the securities market to create all favourable conditions for the market to develop and promote the function of raising capital for the economy, minimizing processes and procedures, creating a favourable environment to attract investors, especially foreign institutional investors, developing a variety of products and services to perfect the structure of Vietnam's securities market (Do Thi Thu Hà, 2019, pp. 64-65). This legal improvement process in Vietnam currently needs to be oriented towards international standards and practices - an important trend - through which to improve transparency, increase public trust investment and increase the attractiveness of Vietnam's securities market in the international market.

II. RESULTS AND DISCUSSION

(A) Trends of international integration in legal regulations on information disclosure on the securities market

By the provisions of the law, the State demonstrates the necessary intervention to protect investors, especially individual investors with limitative ability to analyze information and understand the market. The adjustment of the law to the information disclosure activities on the securities market is regulated at the very first stages, such as setting the conditions for the public offering of securities with a very strictly information disclosure regime to ensure that

securities traded in the market must be qualified to create confidence for investors. During the operation of the company, the legal regulations on information disclosure activities will greatly contribute to detecting and preventing the appropriation of information and business opportunities. At the same time, it will also overcome the situation of limited information and asymmetric information in the securities market.

In the current period, the issue of information disclosure on the securities market is a common concern of all securities markets in the world. One thing that can be seen is that the law on information disclosure in the world is tending to get closer together, manifested through the following aspects:

First, the globalization needs of companies and countries

Companies in the current period are truly global when they have strategic visions, products, services, value-added chains, markets and customers all over the world. In addition, when participating in raising capital of foreign stock exchanges, listed companies are required to comply with the regulations of the market. For companies from less developed countries entering developed markets, the company needs to make efforts to meet stricter requirements. On the other hand, some international investment organizations, have the right to require the application of appropriate international control practices before investing in a country or a certain company. In the context of deepening economic-financial integration, coordination and cooperation among countries to supervise and manage finance have become more and more important, which has become an international practice and is suitable for extensive integration of countries in general. These activities aim to strengthen the management and supervision capacity of state management agencies, ensuring the stable and healthy development of the market.

It can be said that the need for globalization is the most important factor promoting the compatibility and conformity of national legal regulations with international standards and practices. Enterprises with the desire to attract domestic and foreign capital sources all aim to comply with effective and transparent information disclosure practices and protect the interests of investors. For countries, especially developing countries like Vietnam, international economic integration along with efforts to reform the investment and business environment will be a prerequisite to affirm their position on the international stage and attract investors.

Second, the legal regulations on securities and the securities market in general and the laws on information disclosure in particular in different countries may differ in detail but always tend to converge. After all, they all work towards the same basic goal of making the securities

market transparent.

Differences in national legal regulations can be explained by factors such as socio-economic conditions, culture, business practices; however, whether listing conditions control requirements of stock exchanges in countries may vary in detail, but they are all about standards that are accepted around the world. There are many reasons to explain this, but basically, transparency and disclosure are some of the most important principles in the organization and operation of the securities market. Therefore, in any country having a securities market, information disclosure is considered as one of the important obligations of market participants to ensure. Disclosure obligations may be mentioned in legal regulations, but that only ensures the minimum requirements. The goal of securities market transparency can only be most effectively achieved through the application of best information disclosure practices.

The law on securities laws and securities markets of countries are increasingly close to each other because national laws are heavily influenced by the practices of prestigious international organizations in the world. The international organization of Securities Commissions IOSCO has produced many guidelines relating to various aspects of securities and the securities market, such as the objectives and principles of securities market regulation, the principles of organization and operation of credit rating agencies, principles of derivatives regulation, etc. These principles and guidelines are applied and concretized in national laws by many countries around the world (Le Thi Thu Thuy, Do Minh Tuan, 2012). For public information operations, some important Codes of Conduct that IOSCO has developed are: Principles for Ongoing Disclosure and Reporting of Material Developments (2002), Principles for Periodic Disclosure by Listed Entities (2010), Principles for Ongoing Disclosure for Asset-Backed Securities (2012)...

In addition, the issue of information disclosure on the securities market is closely related to the issuer's corporate governance, while sets of the best corporate governance practices of the world are becoming more and more similar. It is not difficult to explain because if we know how these practices affect each other. Rules issued by international bodies such as the World Bank, the Commonwealth, or the OECD, clearly encourage compatibility and consistency in the content of corporate governance practices in the world. The corporate governance policies and practices of large corporations operating around the world can also be factors of global influence (Phan Dang Hai, 2018). Among the corporate governance practices in the world, the G20/OECD Code of Corporate Governance has had a great influence on countries in assessing and improving the legal, regulatory and institutional frameworks for corporate governance in order to support improved economic performance, sustainable growth and financial stability

(G20/OECD, 2015, pp.6). One of the corporate governance principles mentioned is “Disclosure and Transparency”, which is a key requirement to improve company performance and protect investors in the securities market.

International accounting standards are also moving towards convergence. The International Accounting Standards Committee (IASC) and the International Auditing Practices Committee (IPAC) both have close relationships with the International Organization of Securities - IOSCO. These organizations are forces working together towards international harmonization and standardization of Financial Reporting and Auditing Standards (Bob Tricker, 2012, pp. 375-376).

(B) Overview of the process of developing and perfecting the law on information disclosure on the securities market in Vietnam in the process of international integration

Right from the very beginning of the establishment of the Vietnamese securities market, the state management agencies have paid great attention to building a legal framework to regulate the operation and development of the financial industry in general and the securities market in particular, including regulations on information disclosure on the securities market to make information transparent for participants in the securities market.

Before Securities Law 2006 was promulgated, information disclosure activities on the Vietnamese securities market made a distinction between listed companies and unlisted companies. Accordingly, public joint-stock companies listing on the centralized securities market have to disclose many types of information, while unlisted public companies do not have that obligation. This created inequality in the obligation to disclose information between the two groups of subjects mentioned above and created certain difficulties in the management and transparency of the market also.

The Securities Law 2006 has introduced several regulations on information disclosure for public companies in general. Accordingly, the Law sets out the definition of a public company and details the obligation to disclose information of a public company in Circular 38/2007/TT-BTC and Circular 09/2010/TT-BTC. All public companies with a charter capital of VND 10 billion and 100 or more shareholders are required to perform information disclosure obligations regardless of whether such public companies are listed or unlisted. It can be seen that this regulation has supplemented the subjects required to disclose information, on the other hand, has contributed to overcoming inequality in the performance of information disclosure obligations on the securities market of Vietnam.

Since joining the WTO in 2007, Vietnam's securities market has grown and truly become a new and effective investment channel for investors, a medium and long-term capital mobilization channel for businesses and the Government, in addition to credit capital. In 2010, the National Assembly promulgated the law amending, supplementing several articles of the law on securities 2006, and in 2012, the Ministry of Finance issued Circular 52/2012/TT-BTC guiding the disclosure of information on the securities market (replacing the Circular No. Circular 09/2010/TT-BTC). The regulations on information disclosure in the Law on Securities Amending and Supplementing 2010 and Circular 52/2012/TT-BTC had created a great motivation in enhancing the transparency of the market through increasing information disclosure responsibility of public companies, raising the standard of responsibility for information disclosure of large-scale public companies, setting stricter regulation of information disclosure obligations of major shareholders and insiders. Since 2015, the disclosure of information of companies listed on Vietnam's securities market has been carried out under Circular 155/2015/TT-BTC (issued on October 6, 2015, replacing Circular No. 52/2012/TT-BTC) to ensure conformity with market developments towards international standards on information disclosure.

For the financial industry in general and the securities industry in particular, participation in the CPTPP and the Vietnam-EU Free Trade Agreement (EVFTA) is expected to help promote the development and integration of the financial services market mainly through commitments to open the market at a high level along with a transparency mechanism to create better market access opportunities for foreign investors. The investment protection mechanism is also established with provisions on dispute settlement mechanism between the State and State, investors and the State, the principle of minimum treatment, etc. ensure transparency, fair competition environment and benefits for investors when participating in the market. However, it is necessary to look directly at the reality, that when participating in the common playing field with partners that have been very developed in the financial services market, Vietnam faces many difficulties and challenges when it comes to requirements that the urgent need for Vietnam is to review and perfect the current legal framework to identify the contents that are not compatible with the obligations of the recently concluded agreements, thereby building a roadmap implementation as soon as the agreements come into force.

Stemming from new issues arising, in 2019, the nearest Securities Law has met the practical needs of regulating the securities market in the current period with the role of the most important document in the law system of legal documents on securities. Among them, the number of regulations as well as the level of requirements on information disclosure obligations

of public companies has been increased to ensure transparency and help investors increase their ability to the opportunity to access information about the business situation, the operation of the company, from there, can monitor and choose investment opportunities more effectively. It can be seen that it is the legal binding to the responsibility of publicity and transparency of public companies in general and public companies in particular that will make an important contribution to creating an investment environment today more civilized and egalitarian.

At present, the disclosure of information on the Vietnamese securities market is carried out under the provisions of the Securities Law 2019, Decree 155/2020/ND-CP detailing the implementation of the Securities Law, and most specifically focused on Circular No. 96/2020/TT-BTC dated November 16, 2020, of the Minister of Finance replacing Circular No. 155/2015/TT-BTC. The legal framework regulating information disclosure activities is built based on the development of the securities market in different stages of development according to extensive international integration to help strengthen publicity and transparency of the market better protect the legitimate rights and interests of investors. Adequate legal provisions will certainly create favourable conditions for the obligated subject to disclose information as well as to detect, prevent and promptly handle violations of the law on disclosure information.

(C) Assessing the current legal status of information disclosure on the securities market in Vietnam

Firstly, the legal framework on information disclosure on the Vietnamese securities market is built based on the development of the securities market in each period. Regulations on information disclosure on the Vietnamese securities market have made great strides in approaching international standards.

Through the provisions of the Securities Law 2019 and guiding documents, the legal framework on information disclosure activities has been improved to a higher level to be more complete, synchronous, unified and comprehensive than before.

First, about the subjects of information disclosure: The law on securities has added many subjects with the obligation to disclose information in addition to the basic groups of subjects such as organizations issuing corporate bonds to the public; organizations to list corporate bonds; groups of related people, groups of related foreign investors owning 5% or more of the voting shares of the public company; founding shareholders during the time of restricted transfer of public companies, public securities investment companies; insiders and related people of insiders... The expansion and more detailed regulations on the subjects of information disclosure have ensured the focus and significantly comprehensiveness of the law.

This is a prerequisite for the transparency of information about securities and the Vietnamese securities market³.

Second, on the principle of information disclosure: The law on securities provides specific provisions on the “Principles of information disclosure”⁴, which shows the basic principles that the subjects need to comply with to ensure information disclosure activities achieved efficiency, including completeness, accuracy, and timeliness; responsibility, etc. Determining the most important and basic principles of information disclosure is one of the factors that determine the effectiveness of this activity, both from the management perspective and the law enforcement perspective.

Third, regarding the content and deadline for information disclosure: To be compared with previous documents⁵, the Securities Law 2019 and Circular 96/2020/TT-BTC continue to develop several information disclosure mechanisms based on differences of capital scale and publicity. The public companies have to comply with three forms of the information disclosure regime on each case, including periodic information, ad hoc information and information on request⁶. However, the outstanding changes that Circular 96/2020/TT-BTC provides is to introduce higher conditions in information disclosure activities, specifically:

- The public company must disclose its audited annual financial statements within 10 days from the day on which the auditor’s report is signed by the audit organization and within 90 days from the end of the fiscal year. It is not allowed to extend the deadline for the submission of financial statements.
- The public company must prepare its annual report and disclose it within 20 days from the date of disclosure of its audited annual financial statements and within 110 days from the end of the fiscal year.
- The time limit for publishing the reviewed half-year financial statements is 05 from the day on which the audit organization signs the review report and within 60 days from the end of 06 first months of the fiscal year.
- The time limit for publishing the reviewed report of quarterly financial statements (if any) is 05 days from the day on which the audit organization signs the review report and within 45 days from the end of the quarter.

³ Article 118 of Securities Law 2019 and Article 2 of Circular 96/2020/TT-BTC

⁴ Article 119 of Securities Law 2019 and Article 4 of Circular 96/2020/TT-BTC

⁵ This document expired on December 31, 2020 due to being superseded by Circular 96/2020/TT-BTC effective on January 1, 2021.

⁶ Article 14, 15, 16 of Circular 96/2020/TT-BTC

- At least 21 days before the opening date of the General Meeting of Shareholders (GMS), unless a longer period is specified in the company's charter, the public company shall make disclosure on its website and the websites of SSC and SE (if it is a listed or registered organization) of information about the meeting of the GMS⁷.
- Upon receipt of any event or information that may affect the company's securities prices, the company is required to confirm or correct such event or information⁸.

Compared with the Securities Law 2006, the Securities Law 2019 defines more specifically for each group of subjects about the content of information disclosed. Not only does it legalize many basic information disclosure contents that have been stably prescribed in the by-law documents (Circular No. 155/2015/TT-BTC), but it also ensures consistency with relevant legal provisions (Enterprise Law, Civil Code, etc.). The law specifically stipulates the obligation to disclose periodic information, ad hoc information and information on request for public companies and other information disclosure entities. Based on the provisions of the Securities Law 2019, Circular 96/2020/TT-BTC stipulates each obligation and type of information that the above-mentioned information entities are obliged to disclose.

It can be seen that the current legal regulations on information disclosure in the securities market have ensured consistency with relevant legal provisions. It is easy to see that they are built in the direction of improving the standards of information disclosure on the securities market. The enhancement of disclosure requirements can be understood as a consequence of receiving and ensuring compliance with the general principles of IOSCO, the OECD Principles of Corporate Governance⁹, The International Financial Reporting Standards (IFRS)¹⁰. Some general regulations of countries in the region and around the world are also accepted if they are suitable for actual conditions in Vietnam. Attention to issues of corporate social responsibility, such as the obligation to disclose information on the environment and society, which was first stipulated in Circular 155/2015/TT-BTC and continues to be mentioned in Circular 96/2020/TT-BTC, marked an important step of Vietnam is aiming to form and develop a sustainable financial market. This is an area that domestic and international investors pay a lot of attention to because the company's long-term development prospects will be more clearly presented in the sustainable development report through legal compliance on environmental

⁷ The previous regulation was 10 days, this change ensures compliance with Article 143 of the Enterprise Law 2020 on the time to invite the GMS.

⁸ Article 10, 11, 14, 15 of Circular 96/2020/TT-BTC

⁹ G20/OECD (2015), *Principles of Corporate Governance, Section V*.

¹⁰ On March 16, 2020, the Ministry of Finance issued Decision 345/QD/BTC of the Ministry of Finance approving the scheme for application of financial reporting standards in Vietnam. Accordingly, some groups of listed companies will apply IFRS.

protection, the way enterprise manages impacts and risks related to the environment and society as well as other interested parties (Voting for Listed Enterprises in 2018, 2019, pp. 27).

Fourth, about the authority of the State Securities Commission: Through the practical application of the law, it can be seen that the provisions of the Law on Securities 2006 on the competence of the State Securities Commission in inspection and examination, handling of violations have not met the requirements in management, supervision and enforcement of the law on the securities market. That situation reflects the lack of consistency in ensuring the principles of securities market management of the International Organization of Securities Commissions (IOSCO), of which Vietnam is a member and is not consistent with international practices. The laws of most countries having developed securities markets (such as Japan, Malaysia, Thailand, the United States, the United Kingdom, Australia, Singapore, etc.) give the Securities Commission the authority to request individuals and organizations for providing information, documents and explanations, etc. Due to the absence of these powers, in recent years, the State Securities Commission has faced many difficulties in information collection, verification and handling timely serious violations of the law on the securities market such as insider trading, market manipulation, etc. Stemming from that fact, The New Law decentralizes authority and vests more rights and powers in the State Securities Commission to: a) Request agencies, organizations and individuals that have information, documents and data related to inspection and examination contents to provide, explain and analyze such information, documents and data; b) Request credit institutions, foreign bank branches to provide information related to transactions on customers' accounts in cases there are signs of performing prohibited acts; c) Request the telecommunications enterprise to provide name, address, caller number, dialled number and call time for verification and handling of prohibited acts¹¹. These new regulations will certainly improve the efficiency of market supervision by the State Securities Commission and serve as a basis for identifying frauds, speculations and market manipulations in the investment activities in securities, thereby helping the market operate more efficiently and transparently.

It can be seen that the current securities law with the clear changes in the above regulations aims to improve the responsibility of information disclosure of public companies, securities trading organizations, investment funds, securities investment companies/investors, organizations that list/issue bonds to the public, stock exchanges, Securities Depository Centers, etc., in accordance with market requirements¹². With the modernization of information

¹¹ Article 130 of Securities Law 2019

¹² Ministry of Finance (2017), Policy impact assessment report proposing the development of the Securities Law

disclosure infrastructure and connection with stock exchanges in the ASEAN region, the adoption of international standards and practices in the legal regulations on disclosure information will help Vietnam's securities market to be stable and firm; the publicity, transparency, the interests of investors and the market's trust are ensured.

Secondly, although the law on information disclosure on the securities market has made progressive changes, there are still many limitations and inadequacies that need to be overcome in practice.

It is necessary to acknowledge that the legal provisions on information disclosure on the securities market have been changed in a progressive direction; however, in fact, public companies are currently facing many difficulties in complying with the regulations. The survey report on information disclosure on the Vietnamese securities market in 2020 gave the results: 329/729 listed enterprises (accounting for 45.13%) met the information disclosure standards. From this figure, it can be concluded that the compliance with regulations on the obligation to disclose information on the securities market in the past time is still limited, the percentage of listed companies has completed correctly, and fully obligation to disclose information still stops at modest numbers. In the previous period, specifically from 2012 to 2015, the percentage of listed companies that met information disclosure standards was very low (the annual rate was just under 10%). Since 2016 up to now, although this rate has tended to increase significantly, the gap between the number of enterprises meeting the information disclosure standards and those in the rest group is still very remarkable. However, the compliance rate of 45.13% in the latest survey report is only based on the provisions of Circular 155/2015/TT-BTC, which has been replaced by Circular 96/ 2020/TT-BTC (effective January 1, 2021) with many changes in the direction of approaching international practices. Therefore, many regulations on information disclosure obligations that have been amended and supplemented to meet the market upgrade target in Circular 96/2020/TT-BTC may cause difficulties for businesses, especially some small-sized enterprises when participating in Vietnam's securities market. These limitations and inadequacies arise when the conditions and standards for information disclosure are assessed to be consistent with international and regional information disclosure practices but not yet suitable for implementation in the Vietnamese securities market. Another reason is that the maximum fine for violations on information disclosure is currently only 200,000,000 VND. This fine is higher than before¹³, but it is considered to be

project (amending).

¹³ Decree 156/2020/ND-CP prescribing penalties for administrative violations against regulations on securities and securities market; Decree 108/2013/ND-CP prescribing penalties for administrative violations against regulations on securities and securities market (amended and supplemented by Decree 145/2016/ND-CP)

low and not enough of a deterrent, not commensurate with possible consequences, including affecting the interests of related parties. In fact, many violations, if done well, can help entities profit up to hundreds of billions of dong, while the maximum fine as prescribed by current law is only hundreds of millions of dong. In addition, during the implementation process, the sanctioning sanctions have not developed in accordance with the governing norms of the law, which leads to the situation that violators can manipulate and circumvent the law without being punished, handled or treated improperly.

The above limitations and shortcomings also stem from regulations and actual operations of state management agencies. The legal position of the Securities Commission is closely related to its authority and influence in performing the role of securities market management and supervision. In many countries, the agency that regulates and supervises the securities market is an independent organization within the state apparatus with relatively broad authority. Most of these agencies are completely independent of the Government in terms of organization and operating budget. In China and Thailand, the Securities Commission is also a government agency, with the same authority as a ministry, and the head of the Securities Commission is a government member. Meanwhile, in Vietnam, the State Securities Commission is a general agency level under the Ministry of Finance. The position of the State Securities Commission in Vietnam has many limitations compared to equivalent agencies in most countries around the world. And it is also shown that the role of the State Securities Commission is still not strong enough, leading to a difficult situation when it comes to solving problems and cases that require quick, drastic and radical responses of the market management and supervision agencies. Besides, the inspection and examination of information disclosure activities of enterprises are sometimes still delayed; the management and settlement of violations in some cases are still asynchronous and overlapping, etc. In addition, the information technology infrastructure in service of information disclosure is not integrated and effective. Many activities in the process of management and supervision are still mainly based on manual factors, leading to the situation that many violations can be missed or not detected in time.

In addition, although many legal regulations on information disclosure on the securities market have been amended and supplemented to meet the goal of upgrading the market, the comparisons with the basic objectives in international practices are still not guaranteed, specifically:

First, regarding information disclosure in English: The current securities law has made progress in putting the stock exchanges and Vietnam securities depository under an obligation to simultaneously disclose information in Vietnamese and English. Information disclosure

forms in the Appendix attached to Circular 155/2015/TT-BTC and Circular 96/2020/TT-BTC have English versions to create favourable conditions for organizations and individuals in disclosing information in both languages. However, this requirement for the company currently only stops at the level of encouraging to disclose information in English. Therefore, the main language used in the information disclosures of public companies is Vietnamese; English is used but not much and mainly in large companies with the participation of the foreign public shareholders. This depends on many factors, including the needs and resources of the businesses themselves. To create opportunities to access information easily and conveniently for foreign investors, the stock exchanges now have compiled most of the published information from public companies into English and published on its website its English version. It shows that in order to create an effective legal foundation in expanding the market and attracting foreign capital, information disclosure in English is essential.

Second, regarding the application of international standards in the Sustainable Development Report: According to the law, public companies can also choose to make a separate Sustainable Development Report and be encouraged to apply the international reporting standards for sustainable development reporting¹⁴. When compared with international practices¹⁵, the results of the Vietnam Corporate Governance Scorecard 2020 assessment show that very few companies publish policies and practices, describe efforts in ensuring the implementation of environmental protection standards in the process of supplier selection, production and service provision with the rate of only 4%. Only half of the listed companies meet the criteria of being present in previous years, that is, having policies and practices on environmental protection associated with the process of doing business and consuming products and services. Similar to environmental issues, policies and practices to protect the interests of customers and the interests of employees such as training and development programs for employees, reward policies associated with the operational efficiency of the company in the long term has not been focused on by many companies and presented convincingly to external audiences¹⁶.

(D) Some recommendations to improve the legal regulations and improve the efficiency of law enforcement on information disclosure on the Vietnamese securities market in response to the requirements of international integration

From the above analysis, the authors would like to make some recommendations to improve

¹⁴ Form of Annual Report (Appendix IV) in Circular 96/2020/TT-BTC providing guidelines on disclosure of information on securities market

¹⁵ G20/OECD (2015), *Principles of Corporate Governance*

¹⁶ Voting for Listed Enterprises in 2020 (2020), Report on corporate governance assessment of listed companies in Vietnam, pp. 36.

the legal regulations and improve the efficiency of law enforcement on information disclosure on the Vietnamese securities market in response to the requirements of international integration as follows:

First, continue to improve the legal provisions on information disclosure

Legislative agencies in the future need to continue to adjust the document guiding information disclosure on the securities market in the coming time, which is revised in the direction of improving the position of the State Securities Commission with full details enough functions to make regulations, supervise, inspect and enforce law enforcement to increase the efficiency of market supervision and management activities. Another direct and proactive solution is to raise the level of penalties for violations of information disclosure by listed companies, ensuring enough deterrence for violations.

In addition, legislative bodies may consider requiring large-cap companies (based on financial reporting information) to (1) Disclose information in English in addition to the information in Vietnamese; (2) Requirement for a Sustainable Development Report under the GRI framework (Global Initiative). The application of these regulations may initially apply to enterprises with large capitalization and then gradually expand to other listed organizations and public companies on the securities market.

In addition to periodic, extraordinary and on-demand information, companies are also entitled to disclose other information related to their operations that are not on the list of mandatory information to be disclosed. This voluntary information helps the market to have more clear perspectives on listed companies in many different aspects, such as the relationship of listed companies with the environment, society, employees, etc., mentioned in the recommendations in the Code of Corporate Governance or in information disclosure. Of course, in principle, the listed company must be solely responsible for the content of the information disclosed. Therefore, in the near future, Circular 96/2020/TT-BTC needs to have a mechanism to acknowledge and encourage listed companies to make voluntary information disclosure, such as adding bonus points when considering grading the assessment of corporate governance or evaluating the publicity and transparency of listed joint ventures. Further, in the future, some of these disclosures need to be added and included in Circular 96/2020/TT-BTC as mandatory. This will contribute to diversifying types of information and promoting more transparent listed companies in their operations.

Second, develop and apply the Information Transparency Index

In order to contribute to encouraging companies to perform well in information disclosure

activities, every year, the stock exchanges periodically organize the grading of the annual reports of listed companies. However, the legal system on information disclosure, as well as the fact that the information provided in the Annual Report of enterprises, is not enough to assess the level of transparency of that enterprise. According to international practices and experiences of many countries with developed securities markets, it is necessary to have a separate set of indicators on information transparency to serve as a basis for assessing the publicity and transparency of information on the market of securities companies. Listed companies (e.g. Transparency and Disclosure Index – T&D of the US, Governance and Transparency Index – GTI of Singapore, Information Disclosure and Transparency Ranking System – IDTRS of Taiwan,...). The construction of the information transparency index helps investors to be more aware of the organization and operation of the company, and at the same time, significantly improves the level of information transparency in the securities market. In Vietnam, there is currently no set of information transparency indicators that are officially used to measure and evaluate the transparency of listed companies. Therefore, in addition to perfecting the legal system on securities and the securities market in general and the law on information disclosure on the securities market in particular, in order to enhance the efficiency of the process In order to comply with the law, it is really necessary to build and complete such a set of indicators. That not only ensures to meet the needs of the market, the company and especially investors but also ensure the suitability and adaptability to the general trend of the world.

Third, improve the information disclosure system of the State Securities Commission and the Stock Exchanges

Currently, the State Securities Commission is using the information disclosure system for public companies IDS Pro, the Hanoi Stock Exchange is implementing the CIMS automatic information disclosure system, and the Ho Chi Minh Stock Exchange uses its electronic information disclosure system for public companies. The information disclosure systems of the above organizations are not synchronized, leading to the same disclosure of information; enterprises must implement different methods to report and disclose information. This is a painful problem because it not only causes loss of time and cost for businesses but, in many cases, also causes a discrepancy in the time of receiving published information between systems, leading to difficulties for management agencies in assessing information disclosure activities of companies. Therefore, building and perfecting a digitized information disclosure system to synchronize or communicate between the information disclosure systems of the above-mentioned units is one of the practical solutions to reduce the workload. Workload and

increase accuracy in the process of monitoring, information processing and evaluation by the State Securities Commission and the stock exchanges. Not only that, on the business side, the information disclosure process will also be more convenient and optimized.

Fourth, organize training, propaganda and dissemination of the law on information disclosure on the securities market

The solution that plays an important role in protecting the interests of investors in the centralized securities market is that state management agencies and intermediary organizations organize training programs on knowledge and practices market information disclosure rules. This activity is directed at first to the subjects with the obligation to disclose information on the securities market and then to investors participating in the market. It can be seen that the majority of investors in the Vietnamese securities market are individual investors who often lack investment knowledge and experience and have a low-risk tolerance. Therefore, in order to effectively protect the interests of investors, it is necessary to further strengthen the training and dissemination of knowledge for investors to help them have the ability to access information, grasp and understand accurately. About state policies and guidelines and have the ability to self-identify to avoid fraudulent acts and tricks in the market. The State Securities Commission should promote coordination with other social organizations to promote training activities, raise awareness and contribute to promoting the application of good corporate governance standards and practices in general and information disclosure in particular at Vietnamese enterprises in order to conduct training programs for issuers, thereby promoting effective management activities of companies in the market in order to attract investors investment and thereby improving the position of Vietnam's securities market.

Fifth, change from the actions of businesses themselves

The change and awareness-raising of information disclosure on the securities market must originate from the subjects who are obliged to disclose information. In order to improve the effectiveness of information disclosure, businesses first need to be fully and deeply aware of the role and principles of information disclosure, which serve as the basis for the information disclosure practice process. When businesses are fully and deeply aware of the role of information disclosure, they will voluntarily follow best disclosure principles to improve access to capital markets and perform well. Moreover, compliance with obligations, reducing conflicts of interests between parties with related interests. The appropriate attention to information disclosure activities manifests itself in many different aspects such as i) Completing internal documents on corporate governance in general and information disclosure

in particular; ii) Being interested in reporting and information disclosure, training professional information publishers and fully understanding the system of legal regulations on information disclosure; iii) Be more proactive in disclosing unusual information, ensuring strict compliance with the provisions of the law to ensure the accuracy, timeliness, completeness and truthfulness of important and valuable information. And can influence investors' decisions; iv) Regularly disseminate and thoroughly understand the regulations on reporting and disclosing information related to transactions of major shareholders and internal shareholders and related persons at the General Meeting of Shareholders. to raise awareness and self-discipline in fulfilling their disclosure obligations; v) Closely coordinate with press agencies to announce, confirm, explain or even correct when incorrect information appears, build confidence for the investment public, etc.

In addition, in order to ensure the interests of stakeholders in accessing information, businesses themselves must further improve the quality of published information, ensuring truthful and accurate information. And timely. It is necessary to focus on improving the issue of information disclosure on the company's website; diversify forms of information disclosure; clear and easy to understand information disclosure; conduct timely, regular and continuous information disclosure, etc., because this is a popular and easily accessible information disclosure channel. Enterprises should also proactively disclose information in English, especially enterprises with foreign shareholders, apply international financial reporting standards, sustainable development reporting under the GRI framework. These are important requirements to speed up the process of international integration of enterprises in particular and Vietnam's securities market in general.

III. CONCLUSION

The Scheme for "Restructuring securities and insurance markets to 2020 and vision to 2025", which was issued together with Decision No. 242/QĐ-TTg dated February 28, 2019, of the Prime Minister, clear common goals for the securities market: *"continue to restructure the overall securities market to make it become an important channel of medium- and long-term capital for the economy; develop a reasonable and balanced structure between the monetary market and the capital market, between the securities market and the bond market, between government bonds and corporate bonds; provide positive support for the restructuring process of state enterprises, renew the economic growth model and enhance the development of private economic zones; and increase openness and integration with regional and international markets"*.

It can be seen that the goal of turning the securities market into a medium and long-term capital channel and integrating with regional and global markets is considered a central goal in the development of the Vietnamese securities market. In that panorama, public companies' disclosure of information on the securities market is an important factor, playing a decisive role in helping the securities market become public and transparent; contributing to the sustainable development of the whole market. Therefore, the improvement of the legal framework and the application of appropriate solutions to ensure the effective and strict implementation of the law are indispensable requirements, contributing to upgrading Vietnam's securities market into a market of high quality and competitiveness of regional and global stature.

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