



# Special Alert

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## Navigating Murky Waters: Vietnam Competition Commission's Conditional Approval of the Kido-Nutifood Transaction

On November 6, 2023, the Vietnam Competition Commission (VCC) issued [Decision 287/QD-CT, conditionally clearing an M&A transaction involving Kido Foods and Nutifood](#), both well-recognized brands in Vietnam. This decision is particularly notable, as it seemingly marks the VCC's first conditional approval of economic concentration since its establishment in April 2023. Furthermore, the decision's full-text public release is a noteworthy development. This step is especially significant in light of the Competition Law, which generally requires the national competition authority to publish complete versions of its decisions, a mandate that has been effective for more than four years.

Despite this progress, the released decision is notably lacking in essential transaction details and thorough analysis. The decision does not even clearly specify the selling side, buying side, or the target company involved in the transaction.

The conditions that the VCC has imposed on the clearance are neither structural nor behavioral remedies but appear more as a gentle reminder to the parties involved regarding compliance with regulations on market dominance abuse and cartel regulations, as well as reporting obligations upon request. These conditions seem not to directly address potential anti-competitive effects, thereby obscuring the rationale behind the VCC's approval of the transaction. The absence of such critical information brings into question the transparency and thoroughness of the VCC's assessment.

A natural person was involved in the transaction; however, the decision's lack of detail leaves it unclear whether the VCC considered her investments in relevant market companies during the assessment. To put it differently, this decision does not clarify whether Vietnam's competition authority would consider the market power of companies owned by an individual when reviewing an M&A transaction in which such an individual is involved, for instance, as a sole or joint acquirer.

In conclusion, the release of this decision signals the national competition authority's ongoing efforts to implement the country's relatively new merger control regime. However, the need for greater transparency is evident. For the respect and effectiveness of Vietnam's merger control framework, it is crucial for the VCC to enhance transparency and offer more comprehensive rationales in its decisions, particularly for complex M&A transactions.

To gain further insight into Vietnam's merger filing regulations, we invite you to read our in-depth "Vietnam Merger Control Guide" [published in June 2023 in conjunction with FiinGroup](#), available [here](#).

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