

**LEGAL UPDATE**

January 2026

**NOTABLE POINTS OF THE NEW LAW ON INVESTMENT****KEY TAKEAWAYS**

- Vietnam's National Assembly enacted the new law on investment which will replace the existing law and take effect on 1 March 2026.
- The new law focuses on the simplification of the procedures, reduction of the approval mechanism, and expansion of market access rights to promote a more advantageous and competitive investment environment for Vietnam.
- The new law allows foreign investors to establish economic organizations before applying for an Investment Registration Certificate (IRC) and introduces investment incentive policies.
- However, the new law requires detailed guidance from the Government and the ministries for some of its new concepts.

**OVERVIEW**

On 11 December 2025, the Vietnam's National Assembly ratified Law No. 148/2025/QH15 on Investment ("New Investment Law") which will substantially replace the current Law on Investment of 2020 ("Current Investment Law") on 1 March 2026. The remaining few provisions, regarding the conditional business lines, will take effect from 1 July 2026.

The New Investment Law largely maintains the core policies established by the Current Investment Law. However, it provides further details to these frameworks and adds some new policies to boost investment into the country.

This article presents a brief overview of and key changes in the New Investment Law that impact investors, including local and foreign ones.

**SIGNIFICANT REDUCTION IN CONDITIONAL BUSINESS SECTORS**

Current Investment Law	New Investment Law
A total of <b>277</b> conditional business sectors. <sup>1</sup>	Reduced to <b>198</b> conditional business sectors.
	<p>Some business sectors that are no longer classified as conditional include the following:</p> <ul style="list-style-type: none"><li>• Tax agent services;</li></ul>

<sup>1</sup> The 198 conditional business sectors are listed in Appendix IV attached to the law. Investment in these conditional sectors require an investor to secure a license, certificate or approval from the concerned regulator.

	<ul style="list-style-type: none"> <li>Customs brokerage services; insurance auxiliary services;</li> <li>Labor subleasing services;</li> <li>Commercial inspection services;</li> <li>Temporary import for re-export of frozen foods; and</li> <li>Temporary import and re-export of goods on the list of used goods.</li> </ul>
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## INVESTMENT INCENTIVE POLICIES

### Eligibility for Investment Incentives

The New Investment Law focuses its incentives on three primary categories:

- (a) **Industry:** Projects listed in the list of sectors eligible for investment incentives;<sup>2</sup>
- (b) **Location:** Four new locations have been added to the eligibility list (industrial clusters, high-tech agricultural zones, free trade zones, and international financial centers);<sup>3</sup> and
- (c) **Scale & Project Nature:** Large-scale projects, labor-intensive projects, or key national projects in accordance with the Government's periodic strategic orientations.<sup>4</sup>

### Exclusions from Incentives

It is worth noting that the location-based incentives will not apply to the following projects:<sup>5</sup>

- (a) Mineral exploitation;
- (b) Production or trade of goods/services subject to Special Consumption Tax (except for the manufacturing of automobiles, aircraft, and yachts); and
- (c) Commercial housing development.

### Forms of Incentives & Supports

Financial Incentives <sup>6</sup>	Support for Operation <sup>7</sup>
<b>Corporate Income Tax (CIT):</b> Application of lower tax rates; tax exemptions or reductions for a	<b>Infrastructure:</b> Assistance in connecting technical and social infrastructure inside and

<sup>2</sup> Article 15.1 of the New Investment Law provides for the sectors eligible for investment incentives, including those for development of science, technology, innovation, digital transformation, the digital technology industry, and the semiconductor industry, etc.

<sup>3</sup> *Id.*, Article 15.2(a) of the New Investment Law.

<sup>4</sup> *Id.*, Article 14.1(c).

<sup>5</sup> *Id.*, Article 14.7.

<sup>6</sup> *Id.*, Article 14.2.

<sup>7</sup> *Id.*, Article 14.3.

specific term.	outside the project boundaries.
<b>Import Duties:</b> Duty exemptions for goods imported to create fixed assets, raw materials, and production components.	<b>Human Resources &amp; Credit:</b> Supports for labor training and credit assistance.
<b>Land:</b> Exemptions or reductions of land use fees, land rental, and land use tax.	<b>Site:</b> Supports in accessing land funds or subsidizing relocation for production facilities.
<b>Corporate Finance:</b> Accelerated depreciation and increased deductible expenses for tax purposes.	<b>Technology &amp; R&amp;D:</b> Supports for technology transfer, research, and development.
	<b>Digital &amp; Green Transformation:</b> Supports for emission reduction and climate change adaptation.

Detailed incentives and support are provided for in the relevant laws (tax, accounting, land, etc.).<sup>8</sup>

### Other Notes for Investors regarding Incentives

Investors should also take note of the following points:

- (a) Incentives and support apply to both new projects and expansion projects,<sup>9</sup> and are granted for a specific duration and are based on actual implementation;<sup>10</sup> and
- (b) If a project meets criteria for different incentive levels, the investor is entitled to choose the highest applicable level.<sup>11</sup>

### SPECIAL INVESTMENT PROCEDURE

#### Broad Scope of Application

Investors have the right to elect to the “special procedure” if they invest in key economic areas, including:

- (a) Industrial Parks, Export Processing Zones and Functional Areas in Economic Zones;
- (b) High-Tech Parks and Concentrated Digital Technology Parks;
- (c) Free Trade Zones; and/or
- (d) International Financial Centers.

Note: This procedure does not apply to projects that require an Approval of Investment Policy under specific Government regulations (e.g., nuclear power plant investment projects; investment projects by foreign investors in the sectors of telecommunications services with network infrastructure,

<sup>8</sup> *Id.*, Article 14.6 of the New Investment Law.

<sup>9</sup> *Id.*, Article 14.5.

<sup>10</sup> *Id.*, Article 14.8.

<sup>11</sup> *Id.*, Article 14.9.

afforestation, publishing, and the press).<sup>12</sup>

### Simplified Procedures

The core advantage of the “special procedure” is the removal of cumbersome administrative appraisal steps before project implementation (i.e., from “pre-check” to “post-check” mechanism”), including:

- (a) Investors are not required to perform certain conventional administrative procedures at the starting phase, such as obtaining construction permits or conducting environmental impact assessments (EIAs); and
- (b) Regulatory authorities will conduct inspections and supervision after the project has commenced to ensure compliance with the committed standards.

### Responsibilities of the Investors

In exchange for the above-stated simplified procedure, the New Investment Law sets higher requirements for the investors’ self-discipline and accountability, specifically:<sup>13</sup>

- (a) Written Commitment: Investors must provide a voluntary written commitment to fully meet national standards and regulations regarding construction, environmental protection, and fire prevention and fighting.
- (b) Alternative Reporting: Instead of fulfilling a time-consuming Preliminary Environmental Impact Assessment (pre-EIA), investors only need to submit an Investment Project Proposal, which includes:
  - (i) Identification and prediction of environmental impacts;
  - (ii) Measures to mitigate adverse impacts; and
  - (iii) Commitments regarding technology use (particularly for restricted-transfer technologies).
- (c) Legal Liability: Investors assume legal responsibilities (e.g., administrative penalties, suspension of operations, etc.) if they do not properly perform as committed.

### INVESTMENT PROJECTS ARE NO LONGER REQUIRED PRIOR TO THE ESTABLISHMENT OF COMPANIES BY FOREIGN INVESTORS

Article 22.1 of the Current Investment Law specifies that Foreign Investors **must have an investment project** and be granted an IRC before they can establish an economic organization (i.e., a company).

Meanwhile, Article 19.2 of the New Investment Law specifies that Foreign Investors may **establish companies prior to the fulfilment of the procedures for the issuance of the IRC**, provided that

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<sup>12</sup> Article 28.1 of the New Investment Law.

<sup>13</sup> *Id.*, Article 28.2.

they comply with market access conditions.<sup>14</sup>

However, the new provisions would also mean that further guidance should be provided so that legal risks could be avoided, for example: In case the IRC could not be obtained for a project subsequent to the establishment of the company, how should the established legal entity be handled? Guiding legislation seems needed to handle this circumstance.

### **ABOLITION OF INVESTMENT POLICY APPROVAL FOR OUTWARD INVESTMENT**

The Current Investment Law stipulates that large or significant projects must undergo the process of seeking “Approval of Investment Policy” from the National Assembly or the Prime Minister (as the case maybe) before being granted an Investment Registration Certificate (“IRC”) for outward investment.

The New Investment Law has completely abolished the procedure for seeking investment policy approval at these levels.

### **Narrowing the Scope for Issuing Outward IRC**

According to Article 42 of the New Investment Law, not all outward investment projects require an IRC. An outward IRC is now only applicable to the following projects:

- (a) Those with large investment capital according to specific thresholds prescribed by the Government; and
- (b) Those in conditional outward investment sectors stipulated in Article 41.1 of the New Investment Law, including banking; insurance; securities; press, radio and television; and/or real estate.

### **Foreign Exchange Transaction Registration Mechanism**

For projects that do not fall into the two groups above (small-scale projects, projects of state-owned corporations, or projects related to national defense and security but below the prescribed capital thresholds):

- (a) Investors do not need to apply for an IRC; and
- (b) They only need to register foreign exchange transactions (i.e., inflow and outflow money for the implementation of their abroad project) with the State Bank of Vietnam.

### **RELAXING REGULATIONS ON INVESTMENT PROJECT ADJUSTMENTS**

The New Investment Law offers greater flexibility during project operations, including:

- (a) **Abolition of Cumbersome Procedures:** Investors are no longer required to adjust their investment project in the following two cases (which were mandatory under the Current Investment Law):

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<sup>14</sup> The market access conditions are detailed in Article 8.3 of the New Investment Law, including, the form of investment (i.e., company establishment or share acquisition, etc.), ownership threshold, and/or capacity of the foreign investor.

- (i) A change in total investment capital of 20% or more; and
- (ii) A change in the technology that was previously appraised within the project.

(b) Project Duration: Investors are now permitted to adjust (increase or decrease) their project's operating term at any time of the project implementation.<sup>15</sup> (The Current Investment Law only allowed for extensions when the term was nearing expiration.)

## TRANSFER OF INVESTMENT PROJECTS

Previously, the 2023 Law on Real Estate Business stipulates that only projects already possessing an IRC or a similar approval for the investor were eligible for transfer of the project.

However, the New Investment Law has expanded the scope for project transfers. A project is now eligible for transfer procedures as long as it possesses one of the following documents:<sup>16</sup>

- (a) Decision on Investment Policy/Decision on Adjustment of Investment Policy;
- (b) Approval of Investment Policy/Approval of Adjustment of Investment Policy; or
- (c) IRC (or amended IRC).

## LIMITATIONS OF THE NEW INVESTMENT LAW

While the New Investment Law introduces notable changes discussed above. Certain shortcomings still remain, specifically:

- (a) Several new framework concepts require detailed implementation guidelines from the Government and/or relevant ministries, including the concrete forms of investment support and capital investment thresholds that require an outward IRC;
- (b) The absence of a consultation/support mechanism to assist investors in self-assessing standards prior to making commitments. Accordingly, investors face the risk of project suspension if they fail to pass post-check inspections; and
- (c) As discussed above, the handling of business entities established without a subsequently granted IRC remains unaddressed.

We hope our article has been helpful to you. Please feel free to contact us if you have any further inquiries.

**Scientia**

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<sup>15</sup> Article 32.4 of the New Investment Law.

<sup>16</sup> *Id.*, Article 51.7.