



LEGAL UPDATE

DRAFT AMENDMENTS TO CERTAIN ARTICLES OF THE LAND LAW

1. Background

The Ministry of Agriculture and Environment has released the draft law proposing amendments and supplements to a number of articles of the Land Law 2024 (“**Draft Law**”). Although this Draft Law has not yet been formally presented for debate at the 10th session of the National Assembly in 2025, many of its provisions address practical challenges arising during the initial implementation of the Land Law 2024.

In parallel, the National Assembly is considering a draft resolution designed to address urgent difficulties in enforcing the Land Law 2024 (“**Draft Resolution**”). The Draft Resolution has not yet been adopted; it is expected to be discussed at the 10th session of the National Assembly. It adopts certain proposals from the Draft Law and provides temporary, transitional solutions, mainly concerning land recovery, compensation, resettlement, land allocation/lease procedures and transitional land pricing matters - not a full amendment of the Land Law.

Accordingly, once promulgated, the Draft Resolution, is intended as a short-term and transitional instrument, expected to be prioritised and potentially adopted within this year, while the Draft Law serves as a medium-term legislative solution and is expected to be considered at a later session of the National Assembly.

This legal update highlights the most notable and substantive amendments reflecting key policy and legal shifts introduced by the Draft Law and Draft Resolution.

2. Land-Related Financial Mechanisms

In the medium term, the Draft Law proposes a structural change to the land valuation regime by shifting from case-by-case “specific land price” appraisal to a model combining land price tables and annual land price adjustment coefficients. This proposal has not yet been adopted and will only take effect upon future approval by the National Assembly.

Under the Draft Resolution, provincial People’s Councils are required to approve, promulgate and apply the new five-year land price tables from 1 January 2026. The Draft

Resolution does not alter the pricing methodology under the Land Law 2024; instead, it confirms that the existing framework on land use fees, land rent, compensation, taxes and other financial obligations (as set out in Articles 153-160 of the Land Law 2024) will continue to apply. No additional pricing formula or coefficient mechanism is introduced. The key objective is to ensure legal continuity and avoid procedural delays when the 2026-2030 land price tables take effect.

3. The Right to Choose the Modality of State Land Lease

Under the current Land Law 2024 (Article 120), land users are only permitted to choose between annual rent and one-off payment in limited cases. Certain types of land, including land in industrial parks, high-tech agriculture, protective forests and land used for commercial and service purposes, are required to make a one-off payment. For other cases, land shall be leased by the State and land users shall pay annual land rent in accordance with the decision of the provincial People’s Committee.

The Draft Law proposes to amend Article 120 to allow land users (except for cases subject to auction or tender under Articles 118-119) to choose either annual rent or one-off payment for the entire lease term. Public service units may also choose the payment method but would still be prohibited from transferring, mortgaging or contributing land use rights as capital.

The Draft Resolution follows the same approach and permits the application of this revised Article 120 during the transitional period, rather than maintaining the mandatory “annual rent only” regime for certain sectors.

This is favourable for FDI investors in industrial zones and enterprises seeking to mortgage land use rights, as the ability to make a lump-sum payment may allow land use rights to be used as collateral.

4. Mechanisms for Land Recovery and Resolving Stalled Projects

Under the Draft Law, the grounds for State land recovery would be expanded beyond national defence, security and



public interest to include certain large-scale socio-economic projects such as mixed-use urban areas, logistics centres, free trade zones, international financial centres, and projects approved by the provincial People's Council. The Draft Law introduces the 75% high-consensus mechanism, under which the State may recover the remaining land if the investor has obtained agreement from more than 75% of land users or land area within the project. It also allows land recovery to establish land reserves for relocating businesses affected by environmental pollution.

The Draft Resolution follows the same policy approach and enables these mechanisms to be applied immediately on a transitional basis. In particular, it allows: (i) land recovery in projects where more than 75% of land users have agreed, even if compensation, support and resettlement plans have not yet been formally approved; (ii) land recovery before completion of resettlement for urgent public investment projects; and (iii) provincial authorities to implement land recovery, compensation and resettlement in stages to avoid project delays. Together, these measures provide a legal basis to unlock stalled projects and mobilise land resources pending full legislative amendments under the Draft Law.

From a business perspective, these provisions may accelerate land clearance for real estate, infrastructure and industrial projects. However, they also increase the risk of compulsory land recovery where a minority of land users do not agree. In parallel, detailed guidance on compensation valuation, resettlement standards and community consultation will be required to balance investor interests and land user rights.

5. Transitional provisions

In addition to the above issues, the Draft Resolution introduces transitional mechanisms to address projects that have already been allocated or leased land but are

pending land price determination or payment of land use fees/land rent. These projects may continue to be processed under the current price framework until the new land price tables effective from 1 January 2026 are issued, thereby preventing administrative delays. Furthermore, both the Draft Resolution and, in a more structural manner, the Draft Law propose to legalise certain long-standing land use cases that arose before the Land Law 2024 took effect, particularly where land has been used stably by households or organisations but has not yet met all land administration or construction procedures. This aims to create legal certainty for land users while maintaining State management oversight.

6. Conclusion

The Draft Law represents a medium-term reform effort to refine land valuation, land lease mechanisms and land recovery. The Draft Resolution, in contrast, functions as a short-term, transitional tool aimed at resolving immediate implementation bottlenecks under the Land Law 2024. For real estate developers and FDI investors, the Draft Resolution may ease procedural delays; however, its actual impact will depend on the issuance of subsequent Government decrees and implementing guidelines.

The postponement of formal amendments also provides time to test the Land Law 2024 in practice, allowing future reforms to be more evidence-based and smoothly implemented.

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