



## LEGAL UPDATE

### VIETNAM'S NEW INVESTMENT FRAMEWORK: KEY CHANGES UNDER THE 2025 LAW ON INVESTMENT AND ITS GUIDING DECREE

#### 1. Introduction

Vietnam's National Assembly passed the Law on Investment No. 143/2025/QH15 (“**2025 LOI**”) on 11 December 2025, with the majority of its provisions taking effect on 1 March 2026 and the remainder becoming fully effective from 1 July 2026, succeeding the 2020 Law on Investment.<sup>1</sup> The 2025 LOI departs significantly from the earlier draft Law on Investment and Business (“**Draft LOIB**”), which was first circulated for public consultation on 6 September 2025.

To implement the 2025 LOI, the Government issued Decree No. 96/2026/ND-CP on 31 March 2026, detailing and guiding the implementation of a number of its provisions (“**Decree 96**”).

This legal update highlights the key changes introduced under the 2025 LOI and outlines notable provisions under Decree 96.

#### 2. Key Regulatory Developments Affecting Investment Entry and Structuring

##### i. Business Investment Conditions and Elevation of Conditional Sectors Lists

The 2025 LOI refines the concept of business investment conditions by excluding technical conditions on product and service quality,<sup>2</sup> thereby reducing ambiguity in licensing and registration. It also elevates the list of conditional sectors to the Law level, meaning any amendment requires National Assembly approval, thereby enhancing legal certainty and predictability.<sup>3</sup>

The 2025 LOI, for the first time, introduces a new classification framework under which conditional sectors will be divided into those subject to pre-licensing

requirements and those governed under a post-inspection regime.<sup>4</sup> Decree 96 further provides for the annual publication of (a) sectors requiring licences prior to operations, and (b) sectors transitioning towards a disclosure-based regime for ex-post supervision.<sup>5</sup>

As at the date of this legal update, the detailed lists remain under development.

##### ii. Investment Entry and Approval Procedures

The 2025 LOI and Decree 96 introduce several measures to streamline market entry and project approval. Foreign investors may establish an enterprise prior to obtaining an IRC, reversing the traditional sequencing and improving structuring flexibility.<sup>6</sup> However, the IRC procedures are required to be completed within twelve months from the date of incorporation. The investment project may only commence operations upon the issuance of the relevant IRC.<sup>7</sup>

In parallel, Decree 96 refines the investment policy approval process by aligning appraisal requirements with the national planning framework<sup>8</sup> and removing certain housing-related elements, thereby simplifying the review process.<sup>9</sup>

A fast-track procedure is also introduced for projects in designated zones, including industrial zones, export processing zones, hi-tech zones, economic zones, concentrated digital technology zones and free trade zones, allowing eligible investors to obtain an IRC within 15 working days without full technical documentation.<sup>10</sup>

Decree 96 operationalises this through a simplified filing based on investor commitments in lieu of full technical

<sup>1</sup> Articles 51.1, 51.2, and 51.4 of 2025 LOI

<sup>2</sup> Article 3.9 of the 2025 LOI

<sup>3</sup> Articles 7.1 and 51.2 of 2025 LOI

<sup>4</sup> Article 7.1 of 2025 LOI

<sup>5</sup> Article 12.4 of Decree 96

<sup>6</sup> Article 19.2 of 2025 LOI

<sup>7</sup> Article 72.4 of Decree 96

<sup>8</sup> Article 48.1(a) of 2025 Planning Law

<sup>9</sup> Article 32.7(a) of Decree 96

<sup>10</sup> Article 28 of 2025 LOI



documentation, with IRC issuance within 15 working days and subsequent ex-post supervision.<sup>11</sup>

### iii. Prohibited Sectors Added

The 2025 LOI adds the trading of electronic cigarettes and heated tobacco products to the list of prohibited investment sectors.<sup>12</sup>

### iv. Transfer of Secondary Projects and Exit Feasibility

The 2025 LOI expands facilitated transfer mechanisms to tourism and ecological zones, enhancing exit flexibility and M&A opportunities for investors compared with the Draft LOIB.<sup>13</sup>

## 3. Special Investment Incentives

The 2025 LOI codifies the eligible project categories directly in the law,<sup>14</sup> providing greater transparency and reducing discretionary approval risks compared with the Draft LOIB. This gives investors clearer visibility on eligibility thresholds and may reduce the risk of inconsistent or ad hoc approvals in practice.

Building on this framework, Decree 96 introduces clear capital and disbursement thresholds across key project categories, including strategic technology, semiconductor, and large-scale investment projects. These thresholds provide a more structured and predictable basis for accessing incentive regimes.<sup>15</sup>

- **Strategic technology and digital infrastructure projects** (e.g. innovation centres, R&D centres, large data centre infrastructure, cloud computing infrastructure, mobile infrastructure from 5G and above): minimum total investment capital of VND 3,000 billion, with at least VND 1,000 billion disbursed within three years from the date of issuance of the IRC or approval of investment policy;
- **Semiconductor and key digital technology projects** (including chip manufacturing and AI data centres): minimum total investment capital of VND 6,000 billion,

fully disbursed within five years from the date of issuance of the IRC or approval of investment policy; and

- **Other projects eligible for special investment incentives:** minimum total investment capital of VND 30,000 billion, with at least VND 10,000 billion disbursed within three years from the date of issuance of the IRC or approval of investment policy.

## 4. Risk Allocation and Protection Measures

Decree 96 narrows the circumstances in which investment guarantee deposits may be forfeited, limiting forfeiture to cases of project termination by a competent state authority in accordance with the 2025 LOI, subject to statutory carve-outs.<sup>16</sup> In parallel, it clarifies that delays caused by inspections or audits conducted by competent authorities are excluded from the project implementation timeline.<sup>17</sup>

Together, these changes mitigate regulatory and execution risks for investors, particularly in circumstances beyond their control.

## 5. Conclusion

The 2025 LOI and Decree 96 introduce a more transparent and rules-based investment framework, enhancing legal certainty, streamlining procedures, and reducing reliance on discretionary decision-making.

Businesses and investors should review their investment structures, timelines, and compliance frameworks accordingly, and continue to monitor further developments.

**For further information or assistance in understanding the implications of these legislative changes, please contact:**

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<sup>11</sup> Articles 28, 46 and 47 of Decree 96

<sup>12</sup> Article 6.1(I) of 2025 LOI

<sup>13</sup> Article 52.5 of 2025 LOI

<sup>14</sup> Article 17.2 of 2025 LOI

<sup>15</sup> Article 21.1 of Decree 96

<sup>16</sup> Article 36.2 of 2025 LOI, Article 27.12 of Decree 96

<sup>17</sup> Article 28.2 of Decree 96