



## LEGAL UPDATE

### NEW RULES FOR FOREIGN-INVESTED TRADING AND RETAIL BUSINESSES IN VIETNAM

#### 1. Introduction

On 3 September 2026, the Government issued Decree No. 342/2026/ND-CP (“**Decree 342**”), which takes effect on 18 October 2026 and replaces Decree No. 09/2018/ND-CP (“**Decree 09**”). Decree 342 regulates goods trading and activities directly related to goods trading by foreign investors and foreign-invested economic organisations (“**FIEs**”) in Vietnam.

While retaining the Business License (“**BL**”) and Retail Outlet Establishment License (“**ROEL**”) framework, Decree 342 revises a number of rules relevant to foreign-invested trading and retail activities, including retail expansion, foreign investment and ownership changes, licensing procedures and ongoing compliance. This legal update highlights the key changes and their practical implications for foreign investors and FIEs in Vietnam.

#### 2. Retail Expansion and the Revised ENT Framework

##### (a) Treaty-based ENT relief

Where the investor’s jurisdiction has a treaty with Vietnam abolishing the economic needs test (“**ENT**”), Decree 342 exempts additional retail outlets from the ENT.

Other investors generally remain subject to ENT for additional outlets, except outlets under 500 m<sup>2</sup> in a shopping mall that are not convenience stores, mini-supermarkets or supermarkets.<sup>1</sup>

##### (b) Additional retail outlets and same-brand networks

First-outlet status is not determined solely by the applicant company’s own store count. An outlet is treated as an additional outlet if its foreign investor or FIE already has an outlet in Vietnam, or if it shares a trademark or trade name with an existing licensed and operating outlet of a foreign investor or FIE.<sup>2</sup> Establishing a separate company therefore does not, by itself, secure first-outlet treatment.

##### (c) Revised ENT and retail-site requirements

Where ENT applies, Decree 342 specifies that the affected geographical market is assessed at commune/ward or

equivalent level for outlets below 5,000 m<sup>2</sup>, and provincial level for outlets of 5,000 m<sup>2</sup> or more. The separate criteria concerning job creation and State budget contributions are omitted.<sup>3</sup>

Decree 342 also streamlines the ENT procedure by prescribing a 20-working-day period for the ENT Council to issue its conclusion and removing the separate approval step following the ENT assessment.<sup>4</sup> National-security consultation may nevertheless apply where the relevant statutory conditions are met.<sup>5</sup>

ENT-exempt outlets must still meet ROEL conditions. Compared with the planning-consistency requirement under Decree 09, Decree 342 expressly incorporates compliance with land, planning, investment, construction, fire safety, traffic safety and environmental sanitation laws into the conditions for establishing an outlet.<sup>6</sup> Applicants must document their right to use the premises and its suitability for retail.<sup>7</sup>

Retailers should verify permitted use and licensing documents before signing an unconditional lease or incurring fit-out costs. Where the landlord holds those documents, the lease should require their delivery and cooperation with licensing.

#### 3. Foreign Investment and Changes in Ownership

##### (a) Acquisition of existing Vietnamese retail businesses

Where a Vietnamese enterprise operating existing retail outlets becomes subject to the BL and ROEL regime following a foreign capital contribution or acquisition, Decree 342 allows those outlets to continue retail operations during the licensing process for up to 12 months from the date of the relevant document or confirmation that the foreign investor satisfies the applicable conditions for the acquisition.<sup>8</sup>

Applications for the required ROELs must, however, be submitted within 30 days of the relevant trigger.<sup>9</sup> The 12-month period is not a general deferral of the filing

<sup>1</sup> Article 22.1 of Decree 342

<sup>2</sup> Article 3.11 of Decree 342

<sup>3</sup> Article 22.2 of Decree 342

<sup>4</sup> Article 27.4 of Decree 342

<sup>5</sup> Article 8.3 of Decree 342

<sup>6</sup> Article 21.1(b) of Decree 342

<sup>7</sup> Article 25.2(a) of Decree 342

<sup>8</sup> Article 5.6 of Decree 342

<sup>9</sup> Article 36.2(a) of Decree 342



obligation and does not authorise the opening of new outlets without the necessary licenses.

Buyers and sellers should identify the relevant trigger date, which may precede completion of the acquisition. Transaction documents should allocate responsibility for the licensing process and address access to premises documents, audited financial information and any cooperation required from the seller. Due diligence should also establish whether ENT or national-security consultation applies to the existing retail network.

#### (b) Changes in ownership of existing FIEs

Decree 342 retains the requirement to amend a BL when its recorded ownership particulars change, but introduces different amendment procedures depending on the jurisdiction of the relevant owner, capital-contributing member or founding shareholder.

Where the relevant owner, capital-contributing member or founding shareholder is from a country or territory participating in a treaty to which Vietnam is a party, the amendment follows a simplified procedure, with a decision due within five working days of receipt of a complete and valid application.<sup>10</sup> Changes involving a non-treaty jurisdiction follow the BL issuance procedure, including national-security consultation.<sup>11</sup>

If the ownership change is recorded on the enterprise registration certificate (“**ERC**”), the BL amendment application must be filed within 10 working days.<sup>12</sup> Parties should factor the applicable amendment procedure and filing deadline into the transaction timetable.

### 4. Revised Licensing and Regulatory Oversight

#### (a) BL and ROEL requirements

In line with the simplifications under Resolution 19/2026/NQ-CP, Decree 342 does not reinstate the separate financial-plan requirement or, for certain BL applications, the employment creation and State budget contribution criteria under Decree 09.<sup>13</sup> BL and new-outlet ROEL applications must, however, include a business plan covering five years from the year of application.<sup>14</sup>

Investors relying on treaty commitments must continue to satisfy the applicable market-access conditions throughout

their relevant business activities in Vietnam.<sup>15</sup> Where those commitments apply, the BL term generally follows the enterprise’s legal existence, if any. A five-year term applies in the other cases specified by Decree 342.<sup>16</sup>

For standalone ROEL applications, the required registrations depend on the outlet’s sales area: an outlet with a sales area below 500 m<sup>2</sup> requires branch or business location registration; an outlet of 500 m<sup>2</sup> or more requires branch registration and an investment registration certificate (“**IRC**”) for the retail outlet project.<sup>17</sup>

The 500 m<sup>2</sup> threshold therefore has implications beyond the ENT framework, as it may also determine the corporate and investment registration steps required for a new outlet.

Decree 342 also links the ROEL term to the premises lease. The ROEL term is the shorter of the remaining term of the retail project IRC, where applicable, and the premises lease term.<sup>18</sup> A shorter lease may therefore shorten the licensed operating period, which should be taken into account when negotiating lease terms and assessing recovery of fit-out costs.

#### (b) Provincial licensing and national-security consultation

Decree 342 places BL and ROEL licensing with the relevant Provincial People’s Committee (“**PPC**”): the PPC where the FIE has its head office for a BL, and the PPC where the retail outlet is located for a ROEL.<sup>19</sup> This replaces the provincial Department of Industry and Trade as the licensing authority under Decree 09 and builds on the earlier decentralisation under Decree 146/2025/ND-CP (“**Decree 146/2025**”), which transferred certain ministerial review and approval functions to the PPC.

Decree 342 also introduces national-security consultation with the Ministry of Public Security and the Ministry of National Defence for specified cases. These include certain BL applications involving non-treaty investors, foreign investor control of operators of specified e-commerce platforms classified as large digital platforms, and retail networks with at least 100 outlets below 500 m<sup>2</sup> each, 50 outlets from 500 m<sup>2</sup> to below 3,000 m<sup>2</sup> each, or 30 outlets of 3,000 m<sup>2</sup> or more each.<sup>20</sup>

<sup>10</sup> Article 15.2(b) of Decree 342

<sup>11</sup> Article 15.3 of Decree 342

<sup>12</sup> Article 15.1 of Decree 342

<sup>13</sup> Articles 9.1 and 9.2 of Decree 342

<sup>14</sup> Article 11.2(b) of Decree 342

<sup>15</sup> Article 9.1(a) of Decree 342

<sup>16</sup> Article 10.2 of Decree 342

<sup>17</sup> Article 25.4 of Decree 342

<sup>18</sup> Article 24.3 of Decree 342

<sup>19</sup> Articles 8.1 and 8.2 of Decree 342

<sup>20</sup> Article 8.3 of Decree 342



For retail networks, the thresholds apply to applications allowing existing outlets to continue operating and to new-outlet applications where the foreign investor already owns or participates in the ownership of the relevant number of outlets in Vietnam.

The consultation forms part of the licensing process rather than a standalone approval procedure. Both ministries have 14 working days to respond, and the license cannot be issued without both approvals.<sup>21</sup> For affected businesses, the consultation may affect both the timing and outcome of the licensing process and should therefore be factored into transaction and expansion planning. An exemption from the ENT does not, however, remove any applicable national-security consultation requirement.

## 5. Ongoing Compliance and Transitional Arrangements

### (a) Reporting and enforcement

Decree 342 introduces a six-month reporting requirement and brings forward the annual reporting deadline from 31 January to 15 January. Reports for the first six months must be submitted before 15 July.<sup>22</sup> Businesses should update their reporting calendars and data-collection arrangements accordingly.

Decree 342 also introduces compulsory suspension where an FIE fails to maintain the conditions or criteria applicable to its licensed activities or retail outlets. The FIE has 12 months from the effective date of the suspension notice to restore compliance, failing which the affected activities or outlet operations will be terminated.<sup>23</sup>

Repeated administrative penalties for breaches of activities specified in a BL or ROEL may also result in revocation. For a BL, the trigger is three consecutive administrative penalties within 12 months. For a ROEL, it is three administrative penalties within 12 months. The existing two-year restriction on applying for a new license of the same type following revocation is retained.<sup>24</sup>

### (b) Transitional arrangements

BLs and ROELs issued before 18 October 2026 remain valid for the activities already licensed.<sup>25</sup> Subsequent amendments to specified license particulars are processed under Decree 342.<sup>26</sup> No amendment is required where an address changes solely as a result of provincial administrative reorganisation.<sup>27</sup>

Applications received before 18 October 2026 continue to be processed under Decree 09 and Article 36 of Decree 146/2025. Where an application is incomplete or invalid, the applicant has up to six months from the date of the licensing authority's written request to provide the required supplementation. After that period, the application will be processed under Decree 342.<sup>28</sup> Applicants with pending filings should therefore confirm the recorded receipt date and any outstanding supplementation deadline.

## 6. Conclusion

Decree 342 changes several aspects of Vietnam's foreign-invested trading and retail regime. The express recognition of treaty-based ENT exemptions may facilitate retail expansion for qualifying investors, while outlet characteristics, premises requirements, changes in foreign ownership and national-security consultation may affect the applicable licensing route and timing.

Foreign investors and FIEs contemplating an acquisition, ownership restructuring or retail expansion should therefore assess the applicable treaty position, existing retail network, premises and lease arrangements, and licensing requirements at an early stage. Existing FIEs should also review their reporting and compliance arrangements and, where relevant, assess the transitional treatment of existing licenses and pending applications.

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<sup>21</sup> Articles 12.4, 26.4 and 27.3(b) of Decree 342

<sup>22</sup> Article 38.1(a) of Decree 342

<sup>23</sup> Articles 40, 41.1(d) and 41.2(a) of Decree 342

<sup>24</sup> Articles 42.1(g) and 42.2(h) of Decree 342

<sup>25</sup> Article 44.1 of Decree 342

<sup>26</sup> Article 44.2 of Decree 342

<sup>27</sup> Article 44.3 of Decree 342

<sup>28</sup> Article 44.5 of Decree 342