

LEGAL UPDATE

Our monthly publication is dedicated to provide a roundup of key regulatory updates that impact investment and business activities in Vietnam. Visit our Resource Center for the latest legal updates and firm news.

Draft Law on Business Investment: Changes to foster a more attractive investment environment in Vietnam

Nguyen Thi Anh Hong – Senior Associate

Tran Minh Thao – Associate

In September 2025, the Ministry of Finance (**MOF**) released the Draft Law on Business Investment (**Draft Law**) for public comments, with adoption anticipated during the 10th session of the 15th National Assembly in October 2025.

With the intention of superseding the existing Investment Law 2020, the released Draft Law comprises 07 Chapters, 62 Articles, and 04 Annexes that incorporates significant updates and refinements to the regulatory framework governing business investment activities in Vietnam.

Below are key highlights from the Draft Law for your reference.

A new name of Law

To begin with, the name of the Draft Law is revised from "Investment Law" to "Business Investment Law" which more precisely reflects its regulatory scope over business investment activities. Given that the Law on Public Investment 2019 has governed the public investment sector, this renaming clarifies the Draft Law's focus on profit-driven investments and the commercial operations of private sector entities.

Concentrating on core principles for the investment management within the National Assembly's authority

The amended regulations in the Draft Law has been set forth to ensure that its provisions focus solely on core issues and fundamental principles within the National Assembly's jurisdiction regarding the investment management activities, while granting the Government the flexibility and discretion to formulate detailed regulations, for instance:

- (a) With regard to conditional business investment sectors, the Draft Law (Articles 7 and 8) introduces a definition of investment and business conditions and grants the Government the authority to issue, amend, and update the list of conditional business sectors from time to time,

instead of including it in the Investment Law as before. This amendment provides the Government with greater control in order to further protect investors' business freedom and prepare for quicker responses to emerging sectors with complex risks related to security, public order, and public health. Expected changes made by the Government to the list of conditional business sectors include:

- Abolishing 16 conditional business investment sectors: (i) provision of accounting services; (ii) provision of customs clearance services; (iii) rice export; (iv) business of temporarily imported, re-exported frozen food; (v) trade and purchase of goods and other activities directly related to the trade and purchase of goods by foreign service providers in Vietnam; (vi) provision of labor subleasing services; (vii) automobile repair and maintenance services; (viii) provision of new construction, conversion, repair, and restoration of inland waterway vessels; (ix) provision of new construction, conversion, and repair of sea-going vessels; (x) provision of research, manufacturing, testing, repair, and maintenance of unmanned aerial vehicles, other aircraft, aircraft engines, propellers, and related equipment; (xi) construction activities of foreign contractors; (xii) provision of operation and management of crematorium facilities; (xiii) study abroad consultancy services; (xiv) film dissemination services; (xv) organization of artistic performances, fashion shows, beauty contests, and modeling contests; and (xvi) Banknote printing and coin minting; and
 - Narrowing 04 conditional business investment sectors: (i) fertilizer trading; (ii) trading in aquatic breeds; (iii) provision of water resources exploitation services; and (iv) gold trading.
- (b) With regard to (special) investment incentives and support, the Draft Law removes detailed provisions on figures and criteria, providing only the guiding principles and fundamental criteria, while delegating the responsibility to the Government to issue specific regulations; and
- (c) Provisions regarding procedures, application dossiers, and license content (e.g., IRC, OIRC) are abolished from the Draft Law and delegated to the Government for regulation.

Establishment of economic organizations by foreign investors

Another key change is that the requirement for foreign investors to have an investment project and obtain an Investment Registration Certificate (**IRC**) prior to establishing an economic organization in Vietnam is proposed to be removed. Under the Draft Law (Article 21), foreign investors will be permitted to establish economic organizations before applying for an investment project.

This is expected to promote a more open and equitable investment environment in comparison with domestic investors and to attract greater foreign investment.

Investment project management

Certain revision on provisions related to investment projects are proposed in the Draft Law that reflect the practical realities of implementing business investment activities in Vietnam such as follows:

- (a) Amendment of the cases in which the competent authority shall approve the investment policy and simultaneously grant approval to the investor without requiring a land use rights auction or investor selection through bidding (Article 25);

- (b) Introducing a new provision that defines projects not subject to the investment policy approval procedure (Article 26);
- (c) The authority to approve investment policies, currently held by the National Assembly, is proposed to be removed and instead vested in the Government under the Draft Law (Article 27);
- (d) The scope of investment policy approval by the Chairman of the Provincial People's Committee is limited to the projects that significantly impact the environment, pose serious environmental risks, affect national defense or security, or involve critical infrastructure (Article 28);
- (e) Amendments to an investment project subject to approval on the IRC amendment or the amendment to investment policy approval are limited to those that affect the essential and substantive components of the project (Article 33), thereby streamlining the process on investment project management and enhancing efficiency for investors; and
- (f) The obligation for the investors to provide a guarantee deposit for project implementation in the event of a change in land use purpose under current regulations is removed in the Draft Law (Article 35).

Outbound investment activities

Notably, the administrative procedures for outbound investment in projects are simplified and made more flexible, specifically:

- (a) The procedure for approving outbound investment policies (i.e., currently under the authority of the National Assembly and the Prime Minister) is proposed to be abolished;
- (b) Vietnamese investors will no longer be required to obtain an Outbound Investment Registration Certificate (**OIRC**) issued by the MOF for projects under VND 20 billion (~USD 760,000) and will only be subject to the obligation to register foreign exchange transactions with the State Bank of Vietnam (Article 47); and
- (c) The timeline for repatriating profits from the host country to Vietnam will be extended from 6 months to 12 months, starting from the date of the final tax report or equivalent document, offering more convenience for Vietnamese investors (Article 54).

In conclusion, the Draft Law presents significant advantages and advancements aimed at improving Vietnam's investment landscape. By addressing existing regulatory issues, it aims to establish a robust and adaptable legal framework that will foster greater efficiency, flexibility, and attractiveness for investors.

Disclaimer: *This Legal Update is intended to provide updates on the Laws for information purposes only, and should not be used or interpreted as our advice for business purposes. LNT & Partners shall not be liable for any use or application of the information for any business purpose. For further clarification or advice from the Legal Update, please consult our lawyer: **Ms. Nguyen Thi Anh Hong** at AnhHong.Nguyen@LNTpartners.com.*

CONTACT US

For more information about any of these legal briefs, please contact our Partners:



Mr. Hong Bui

Corporate/M&A, Foreign Investment, Compliance & ABAC, Employment, Litigation & ADR

Hong.Bui@LNTpartners.com



Mr. Binh Tran

Corporate Governance, Employment, Foreign Investment, Litigation & ADR, Real Estate, Corporate/M&A, Tax

Binh.Tran@LNTpartners.com



Ms. Quyen Hoang

Corporate/M&A, Compliance & ABAC, Employment, Insolvency & Restructuring

Quyen.Hoang@LNTpartners.com



Dr. Net Le

Banking & Finance, Real Estate, Litigation & ADR, Corporate/M&A, Tax

Net.Le@LNTpartners.com



Dr. Tuan Nguyen

Antitrust/Competition, Corporate/M&A, Employment, Compliance & ABAC, Foreign Investment

Tuan.Nguyen@LNTpartners.com



Mr. Thuy Nguyen

Corporate/M&A, Foreign Investment, Employment, Tax

Thuy.Nguyen@LNTpartners.com



Ms. Minh Vu

Tax, Foreign Investment, Banking & Finance, Corporate Governance, Corporate/M&A, Projects

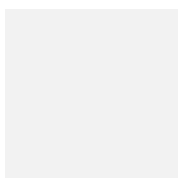
Minh.Vu@LNTpartners.com



Mr. Phu Nguyen

Litigation & ADR

Phu.Nguyen@LNTpartners.com



Dr. Van Tuan Nguyen

Banking & Finance, Compliance & ABAC, Foreign Investment, Litigation & ADR, Intellectual Property

VanTuan.Nguyen@LNTpartners.com



Ms. Duyen Duong

Real Estate, Corporate Governance, Insolvency & Restructuring, Corporate/M&A

AnhDuyen.Duong@LNTpartners.com



Ms. Nhi Luong

Litigation & ADR, Employment

VanNhi.Luong@LNTpartners.com

About us

For further information, please contact us:

Ho Chi Minh City (HQ)

Level 21, Bitexco Financial Tower
2 Hai Trieu St., Sai Gon Ward
+84 28 3921 2357

Hanoi

Level 12, Pacific Place Building
83B Ly Thuong Kiet St., Cua Nam Ward
+84 24 3824 8522

LNT & PARTNERS ("LNT") is a full-service independent Vietnam law firm, which focuses on advisory and transactional work in the areas of corporate and M&A, competition, pharmaceutical, real estate, infrastructure and finance as well as complex and high-profile litigation and arbitration matters. The firm is among Vietnam's most prominent, representing a wide range of multinational and domestic clients, including Fortune Global 500 companies as well as well-known Vietnamese listed companies.

For more information about any of these legal briefs, please contact the individual authors or your usual LNT contact.

***Disclaimer:** This Briefing is for information purposes only. Its contents do not constitute legal advice and should not be regarded as detailed advice in individual cases. For legal advice, please contact our Partners.