LEGAL ALERT

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 Amendment to Real Estate Trading Law: Market Reinforcement

Tran Thai Binh – *Partner*

Duong Thi Minh Han – *Senior Associate*

Le Uyen Phuong – *Trainee Associate*

The Law on Real Estate Trading No. 29/2023/QH15 ("**RETL 2023**") took effect on 1 August 2024. After more than one year of implementation, and in light of the requirement to reorganize administrative boundaries and crystalise the real estate market policy, the Standing Committee of the National Assembly issued Resolution No. 105/2025/UBTVQH15 dated 26 September 2025 on the amendment to the RETL 2023 in the 2026 Legislative Program. The draft amendment to RETL 2023 ("**Draft RETL 2026**") is being developed on that basis with a view to addressing the difficulties arising in the course of implementation and meeting the requirements of socio-economic development. This legal alert summarizes some key highlights under the Draft RETL 2026 for readers' reference.

1. Clarification of concept and addition of new real estate category

1.1. Clarifying the concept of "real estate trading" (Article 3.1 of the RETL 2023)

1.1.1. The Draft RETL 2026 adds clarification that the subject matter of "real estate trading" activities includes part *of a* construction work, *the floor area within a construction work*, in addition to those currently regulated, namely "residential houses, construction works, and land use rights with technical infrastructures" within a real estate project. Furthermore, the draft of amendment to Law on Housing 2023 ("**Draft Housing Law 2026**") expands the definition of "residential houses" by including four housing categories, namely: commercial housing, official residences, rental housing, and housing for social policy beneficiaries. Of these, the latter three categories invested by State budget would be classified as "state-owned housing" under the Draft Housing Law 2026. This approach appears consistent with treatment of "public assets" under the law on management and use of public property.[1] Accordingly, such categories would be excluded and fall outside the governance of the Draft

[1] Management and Use of Public Assets Law 2017, Article 4.4

RETL 2026 would be construed not to govern any residential houses that fall under the categories of public property under relevant laws.

1.1.2. Furthermore, the Draft RETL 2026 also clarifies that real estate trading activities would include the activity of *"novation of real estate trading contracts"*. Accordingly, activities and transactions involving the novation of real estate trading contracts on the secondary market may be likewise regarded as a form of real estate trading and must satisfy the corresponding conditions applicable to the subjects and objects placed into real estate trading.

1.2. Inclusion of the category of "housing for residential and accommodation purposes" (Article 5 of the RETL 2023)

1.2.1. The Draft RETL 2026 introduces the new category of properties, namely "housing for residential and accommodation purposes under housing law", into the group of both existing real estate and off-plan real estate, as well as the list of real estate eligible for trading. Although the Draft RETL 2026 does not explicitly define this term, the Draft Housing Law 2026 provides that such housing includes condotels, resort villas, officetels and shophouses. Accordingly, should the provisions of the Draft RETL 2026 be adopted, the transactions of this property type will be required to comply with the conditions applicable to real estate business activities under the real estate trading laws, including compliance with the prescribed forms of real estate trading contracts, payment schedules requirements and the obligation to publicly disclose information prior to being placed into trading.

1.2.2. In addition, the Draft RETL 2026 further provides specific conditions on the trading of existing and off-plan condotels and officetels. In particular, condotels and officetels must be developed under a lawful investment project and must satisfy the conditions for the issuance of ownership certificates to purchasers and lease-purchasers. Furthermore, the construction work must be built on land allocated by the State with land use levy payment or leased by the State with a one-off land rental payment for the entire lease term. It appears that the Draft RETL 2026 seeks to establish a mechanism to ensure that purchasers of real estate enjoy the rights corresponding to a land use regime originating from land allocation with land-use fee payment or land lease with lump-sum rental payment for the entire lease term granted by the State, including the right to have land use rights transferred[2] when the sale of an existing condotel or officetel requires the transfer of the associated land use rights. Owners of a condotel or officetel with multiple owners shall hold land use rights in the form of common land-use right.

While there is an absence of such specific regulations applicable to the conditels and officetels under the current RETL 2023 and Decree No. 96/2024/ND-CP, these types of real estate *may* fall under the classification of *"floor area within a construction work"*. However, in its preliminary review report at the extended session on 26 July 2026, the National Assembly's Economic and Financial Committee recommended a cautious review and the establishment of a clear legal framework governing housing for accommodation purposes, condotels and officetels, on the principle of ensuring consistency with the Land Law and the Law on Housing, and without legitimizing violations at existing projects.[3] These proposals

[2] Land Law 2024, Article 33

[3] Government Electronic Information Portal (26 July 2026), *Draft Law on Real Estate Trading (Amended): Strong Decentralization, Deep Cuts to Trading Conditions*, https://xaydungchinhsach.chinhphu.vn/du-thao-luat-kinh-doanh-bat-dong-san-sua-doi-phan-cap-manh-me-cat-giam-sau-dieu-kien-kinh-doanh-119260726102307716.htm

stem from a legal gap arising from market developments that have led to violations and irregularities in recording the land-use purposes and the issuance of the Certificate of Land Use Rights and Ownership of Assets Attached to Land (the "**Certificate**") to the housing for residential and accommodation purposes in contrary to the law, as identified in the inspection conclusions on investment projects.[4] Accordingly, clarifying the conditions applicable to trading in condotels and officetels is necessary in order to harmonize the legal system, correct existing shortcomings, and prevent new violations from arising in the trading of condotels and officetels.

2. Amendment of provisions on payment and guarantee for off-plan real estate (Article 26 of the RETL 2023)

2.1. The Draft RETL 2026 no longer limits the payment milestones by percentage in the sale or hire-purchase of off-plan properties as under the RETL 2023. The Draft RETL 2026 only provides the principle that the seller may not collect more than 95% of the contract value until the Certificate is issued to the purchaser or the hire-purchaser.

2.2. Under the real estate business laws, project developers are required to secure a guarantee from a credit institution legally operating in Vietnam for their financial obligations to purchasers and lease-purchasers if the developer fails to deliver off-plan housing in accordance with the sale and purchase or lease-purchase agreement. The Draft RETL 2026 proposes to abolish the option for purchasers or lease-purchasers to waive this guarantee requirement in its sale or hire-purchase off-plan property transaction.

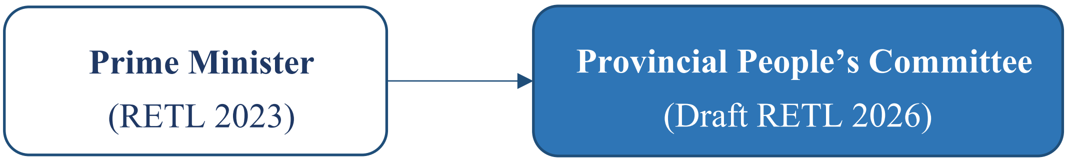
2.3. However, it is not yet clear whether the provisions on payment schedule limits and the optional guarantee mechanism will be entirely abolished, or whether the change is merely intended to streamline the drafting structure of the legal instrument, with the details to be set out in detail in the implementing decree. At the same time, the reviewing body has also recommended an overall assessment of the impact of the regulations on payment ratio limits, the escrow account mechanism and bank guarantees on the protection of the lawful rights and interests of purchasers of off-plan real estate.[5] Accordingly, enterprises should continue to closely monitor developments in the finalization of the Draft RETL 2026 as well as the related implementing guidance documents, so as to promptly assess the impact on the payment-collection and financial-obligation-guarantee mechanisms currently applicable to their projects.

[4] Resolution No. 29/2026/QH16 on special mechanisms and policies for handling violations of land law committed by organizations and individuals prior to the effective date of the Land Law 2024, and for removing difficulties and obstacles for stalled, protracted projects, issued by the National Assembly on 24 April 2026

[5] See footnote 2 above.

3. Decentralization and delegation to local authorities (Article 41.2(b) of the RETL 2023)

3.1. The authority to approve the transfer of entire or partial real estate projects of which investment policy has been approved in principle by the Prime Minister, is expected to be delegated to the provincial People’s Committee of the locality where the project is located. This would expect to shorten the time required to process applications for enterprises. Under Decree No. 96/2024/ND-CP, for project transfer falling within the authority of the Prime Minister, the provincial People’s Committee has 45 days to consult relevant ministries and sectors and to organize appraisal before submitting the matter to the Prime Minister for consideration and decision, whereas the time limit for the Prime Minister to issue a decision is not specifically prescribed. If adopted, the new regulation is expected to eliminate the step of submitting the matter to the Prime Minister for decision making, streamline the administrative procedure, shortening the statutory processing time and help to accelerate the procedures for the real estate projects transfer.



3.2. Where a project is located within the administrative jurisdiction of two or more provinces, the investor may select the provincial People’s Committee to process the project transfer procedures. In the event of subsequent transfers of the project, the competent approving authority shall be the provincial-level People's Committee that granted approval for the project's first transfer.

3.3. The procedures and process for the entire or partial real estate project transfer will be specified in a decree instead of being directly prescribed in the law-level instrument as under the current framework. As this change is largely technical in nature from a legislative drafting perspective, it is necessary to monitor the implementing draft decree to evaluate its actual impact on timelines and documentary and procedural requirements.

4. Use of contracts in real estate trading (Article 45 of the RETL 2023)

4.1. The Draft RETL 2026 clarifies that project developers and real estate trading enterprises are “obligated to comply” with the use of prescribed standard form of contracts and to disclose contracts on the Housing and Real Estate Market Information System before execution. Currently, Article 45.2 of the RETL 2023 provides that project developers and real estate trading enterprises shall “use prescribed standard-form contracts” and “publicly disclose real estate trading contracts” under the disclosure obligation prescribed in this Law. During the implementation of the law, it is questionable whether this constitutes a mandatory obligation or is merely intended as a guidance for real estate trading enterprises in the use of standard-form contracts. However, the Draft RETL 2026 is oriented towards making the use of standard-form contracts a legal obligation of enterprises.

4.2. Expansion of the scope of real estate trading contracts eligible for novation (Article 49 of the RETL 2023)

The Draft RETL 2026 introduces lease-purchase contracts for off-plan housing for residential and accommodation purposes, as prescribed by the housing laws, to the list of real estate contracts of which assignment must comply with the provisions of the real estate trading laws.

This is in addition to the existing categories currently permitted under the law, namely sale and purchase, and lease-purchase, contracts for off-plan housing; and lease-purchase contracts for existing construction works. Furthermore, according to the discussion at the meeting of the Standing Committee of the National Assembly on 29 July 2026, the proposed policy direction also contemplates expanding the scope of contract types eligible for assignment, including sale and purchase contracts for existing housing where a Certificate has not yet been issued.

5. Introduction of unique electronic identification code for each real estate property

During the discussions at the meeting of the Standing Committee of the National Assembly on 22 August 2026, it was proposed that each real estate property offered for sale be assigned a unique electronic identification code. This measure would enable state authorities to accurately monitor financial flows, prevent losses of personal income tax arising from dual-price real estate transactions, and prevent a single property from being sold to multiple purchasers. The proposed requirement is expected to enhance transparency, strengthen legal safeguards, and improve clarity in the real estate market.

CONCLUSION

At present, the Draft RETL 2026 remains under review and finalization. Enterprises and investors are advised to continue monitoring the adoption of the Real Estate Trading Law 2026 and the related implementing guidance documents, so as to promptly assess the impact and prepare appropriate implementation and compliance plans.

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

Dr. 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

Ms. Nhi Luong

Litigation & ADR, Employment

VanNhi.Luong@LNTpartners.com

Ms. Diep Nguyen

Litigation & ADR, Banking & Finance, Employment, Tax, Intellectual Property, Compliance & ABAC

Diep.Nguyen@LNTpartners.com

Mr. Hai Ngo

Banking & Finance, Corporate Governance, Litigation & ADR, Real Estate

Hai.Ngo@LNTpartners.com

Ms. Thinh Vu

Foreign Investment, M&A, Compliance & ABAC, Litigation & ADR, Infrastructure, Energy & Natural Resources

ThiThinh.Vu@LNTpartners.com

For further information, please contact us:

Ho Chi Minh City (HQ)

Level 12A, Saigon Marina IFC,
No.2 Ton Duc Thang St., Saigon Ward

+84 28 3821 2357

Hanoi

Level 12, Pacific Place Building
83B Ly Thuong Kiet St., Cua Nam Ward

+84 24 3824 8522

About us

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.