

# Vietnam's Investment Law 2025:

## A New Phase in Vietnam's Investment Regulatory Reform



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Vietnam's Investment Law No. 143/2025/QH15, promulgated on 11 December 2025 and effective from 1 March 2026, (Investment Law 2025) replaces Investment Law 2020. It introduces reforms to Vietnam's investment regulatory framework aimed at reducing administrative barriers, facilitating investment activities, and improving the overall business environment. This article highlights several notable changes under Investment Law 2025.

### REFINING THE REGIME ON CONDITIONAL BUSINESS LINES

One of the notable adjustments under Investment Law 2025 concerns the regulatory

framework governing conditional business lines. The statutory list of sectors subject to investment conditions has been reduced from 227 sectors to 198 sectors, with 38 sectors removed from the list. At the same time, several new sectors associated with the digital economy and data governance have been added. These include data intermediary services, data exchange platforms, services related to crypto assets, and personal data processing services. In parallel, the scope of approximately 20 conditional business lines has been refined in order to remove regulatory criteria that are outdated, ambiguous, or no longer appropriate.

### **FOREIGN INVESTORS MAY ESTABLISH ECONOMIC ORGANISATIONS PRIOR TO REGISTERING AN INVESTMENT PROJECT**

Investment Law 2025 revises the procedural framework for establishing economic organisations by foreign investors. Under Investment Law 2020, foreign investors were generally required to have an investment project and obtain an Investment Registration Certificate before establishing an economic organisation.

Article 19.2 of Investment Law 2025 changes this sequence, allowing foreign investors to establish an economic organisation prior to obtaining an Investment Registration Certificate, provided that applicable market access conditions are satisfied.

This reform introduces greater procedural flexibility rather than expanding foreign investment rights. Foreign investors remain subject to existing market access restrictions, with the key change being that the corporate vehicle may be established before completion of investment project procedures.

### **SIMPLIFIED SCOPE OF PROJECTS SUBJECT TO INVESTMENT POLICY APPROVAL**

Investment Law 2025 clarifies the framework for determining projects subject to investment policy approval. Article 24 now expressly lists 20 categories of such projects, replacing the approach under Investment Law 2020, which was based primarily on approving authority.

These projects broadly fall into several main groups. The first covers large scale or sensitive land and natural resource use, including forest land conversion, conversion of 500 hectares or more of rice cultivation land, large scale resettlement, projects located in areas affecting national defence and security, and allocation of sea areas. The second includes sensitive

sectors such as nuclear power, casino and betting, petroleum processing, air transport, and certain foreign invested sectors including telecommunications infrastructure, afforestation, publishing, and press activities.

The third group concerns projects in heritage or special urban areas, including protected zones of national monuments or world heritage sites, and restricted or historic inner areas of special grade cities.

The fourth group concerns large scale infrastructure and real estate projects, including housing or urban development projects where the investor already holds land use rights, golf courses, industrial parks, export processing zones, digital technology parks, major seaports, and airports or important aviation infrastructure. Finally, the fifth group covers projects requiring State allocation or lease of land or permission for land use conversion, projects proposing special policy mechanisms beyond existing laws, and other projects falling under the approval authority of the Prime Minister.

The law also refines approval authority. Under Article 25, National Assembly approves only projects requiring special policy mechanisms, Prime Minister approves eight categories, and provincial People's Committee chairpersons approve thirteen categories.

In addition, the law narrows cases requiring adjustment of investment policy approval. Article 33.3 limits these to five circumstances, including changes to objectives, location or land area, schedule extensions, project duration, and certain changes of investor. It removes two cases under Investment Law 2020, namely changes to total investment capital exceeding 20 percent and changes to previously appraised technology.

## EXPANDED APPLICATION OF THE SPECIAL INVESTMENT PROCEDURE

Investment Law 2025 expands the application of the special investment procedure, a streamlined mechanism for implementing certain investment projects.

Under Article 28, investors may opt for this procedure for projects located in industrial parks, export processing zones, high tech parks, concentrated digital technology parks, free trade zones, international financial centres, and functional zones within economic zones, except for projects subject to investment policy approval as prescribed by the Government.

Projects registered under this procedure are exempt from several pre investment administrative procedures typically applicable to investment projects, including investment policy approval, technology appraisal, environmental impact assessment reports, detailed planning, construction permits, and certain approvals relating to construction and fire prevention and fighting.

Instead, investors are required to submit a written commitment confirming compliance with applicable legal requirements, together with an investment project proposal identifying potential environmental impacts, proposed mitigation measures in lieu of a preliminary environmental impact assessment.

## GREATER FLEXIBILITY IN ADJUSTING INVESTMENT PROJECT DURATION

Investment Law 2025 retains statutory limits on project duration, generally up to 50 years outside economic zones and up to 70 years within economic zones.

Article 31.4 introduces flexibility by allowing investors to adjust project duration during

implementation, including both extensions and reductions, provided the revised term remains within statutory limits. Under Investment Law 2020, adjustments were typically limited to extensions as projects approached expiry.

The law also includes a transitional provision. Under Article 52.6, projects implemented before the effective date of Investment Law 2025 may adjust their duration where the remaining term is insufficient to support the financial or business plan of a transferee investor.

Overall, Investment Law 2025 marks a further step in refining Vietnam's investment regulatory framework. While its practical impact will depend partly on forthcoming implementing regulations, the changes reflect a continued policy direction toward greater procedural efficiency, enhanced transparency, and a more facilitative environment for both domestic and foreign investment.



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Ngoc has extensive experience in foreign invested projects, M&A transactions, corporate, capital markets, employment, antitrust, and tax. He is a distinguished practitioner in Vietnam, recognised by

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