

# VIETNAM LIBERALISES PRIVATE AIRPORT INVESTMENTS, MODERNIZES AIRCRAFT LEASING RULES AND STRENGTHENS OPERATIONAL OVERSIGHT

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Vietnam has fundamentally overhauled its legal framework governing airport infrastructure and aircraft lease transactions with the enactment of the Civil Aviation Law 2025 (the “**New Law**”), Decree No. 205/2026/ND-CP on airport infrastructure (“**Decree 205**”), Decree No. 208/2026/ND-CP on air transport (“**Decree 208**”) and Decree No. 223/2026/ND-CP on aircraft operations (“**Decree 223**”).

Effective from 1 July 2026, the New Law and its implementing decrees replace the previous fragmented regime with a single, integrated framework for Vietnam’s aviation sector. The reforms significantly strengthen the legal basis for private investment in airport infrastructure, modernize the regulation of airport operations, airport concessions and aviation services, and introduces a clearer regulatory framework for aircraft operations, including wet leasing and aircraft certification.

## Key Takeaways

- **Private investment in airport infrastructure receives a significant boost.** The new legislation establishes an explicit statutory framework for privately funded airport projects, including projects involving national defence land and public assets, providing greater legal certainty for investors while preserving State ownership and oversight.
- **Airport approvals become substantially simpler.** The previous multi-step registration regime has been replaced by a streamlined certification model, reducing regulatory burden and shortening the pathway to commencement of airport operations.
- **Airport concession arrangements are now expressly regulated.** The new aviation legislation recognises and regulates airport concession agreements, providing greater contractual certainty for airport operators and aviation service providers.
- **Licensing of aviation services is rationalised.** Fewer categories of aviation services now require aviation service business licences, while the regulatory focus shifts from pre-operational approvals to operators' ongoing safety, operational and compliance capabilities.
- **Aircraft leasing rules are modernised.** The new regime introduces mandatory CAAV recognition of foreign AOCs and limits on aircraft wet leasing, while simplifying aircraft approval procedures and removing some unnecessary requirements that previously complicated cross-border aircraft leasing and financing.

### 1. Explicit rules for private investment in airport infrastructure

Perhaps the most significant reform is the New Law's introduction of explicit rules designed to facilitate private investment in airport development and address bottlenecks under the prior, heavily State-focused framework. For the first time, the laws establish a comprehensive statutory framework governing airport development using non-State capital.

Under this framework, airport projects may be developed either under the public-private partnership regime or as privately funded commercial investment projects under the Investment Law, subject to the concurrence of the Ministry of National Defence and the Ministry of Public Security on the proposed investment model.

The New Law and Decree 205 also provide greater legal certainty for private investors in three important respects:

- It establishes a dedicated framework for new airports developed as privately funded commercial investment projects, including: (i) the allocation of public assets to investors for airport development and the determination of the value of such public assets to be repaid to the State; and (ii) the transfer of aviation infrastructure assets to the State upon expiry of the project term (including any approved extension), with compensation based on the residual book value of the invested assets.

- It introduces a clearer framework for airport expansion projects by giving existing airport investors priority to undertake expansion or upgrading projects through negotiations with the competent authority.
- It removes a significant procedural hurdle by exempting airport expansion and upgrading projects carried out by an existing airport investor on leased airport land from the investment in-principle approval requirement, thereby facilitating timely airport expansion.

## 2. Private participation where national defense land or public assets are involved

The New Law and Decree 205 introduce greater flexibility for private participation in airport infrastructure located on national defense land or comprising public assets. Specifically, the competent authority may permit private investors to:

- develop, upgrade, expand, maintain and operate dual-use (civil and defense) airport facilities on national defense land without requiring any transfer of land use rights or registration of land use purpose changes; and
- upgrade, expand, maintain, and operate airport facilities that constitute public assets without requiring any transfer of State ownership of such assets, while allowing investors to recover costs corresponding to their investment and maintenance expenditures.

However, any subsequent transfer of the project or change in the approved investor, operator or user of such facilities remains subject to the prior approval of the competent authority.

## 3. A simplified regulatory pathway for bringing airports into operation

The New Law and Decree 205 fundamentally reform the legal framework governing the commencement of airport operations by replacing the previous registration-based regime with a certification-based framework.

Under the previous legislation, airport developers were required to navigate multiple administrative procedures under different decrees, including obtaining approval to open an airport, registering the airport, obtaining and amending airport registration certificates, and complying with separate procedures governing the temporary closure and reopening of airports. These overlapping procedures have now been abolished and replaced with a streamlined certification regime.

An airport now may commence operations upon obtaining an **Airport Certificate**, which confirms that the airport satisfies the applicable operational, technical, safety and security requirements. The new legislation accordingly requires only two principal licences for airport operations:

- an **Airport Business Licence** (*Giấy phép kinh doanh cảng hàng không*), authorising an enterprise to invest in, manage, and commercially operate an airport; and
- an **Airport Certificate** (*Giấy chứng nhận cảng hàng không*), certifying that the airport is fit for operational use.

Where the airport enterprise directly operates the airport, it must hold the Airport Certificate. If airport operations are delegated or leased to an independent operator, the delegated or lessee operator must instead obtain the Airport Certificate.

#### 4. An explicit framework for airport concession arrangements

Decree 205 establishes a statutory framework distinguishing between the following concession agreements:

- A **concession agreement for operation of aviation services** means an agreement between an airport enterprise and either (i) an enterprise providing aviation services at an airport, (ii) an enterprise engaged in the maintenance of aircraft, aircraft engines, aircraft propellers or aircraft equipment, or (iii) an enterprise providing repair and maintenance services for aviation vehicles and equipment.
- A **concession agreement for use of shared technical infrastructure facilities at an airport** means an agreement between an airport enterprise and an enterprise or individual conducting other commercial activities at the airport, excluding enterprises engaged in the maintenance of aircraft, aircraft engines, aircraft propellers or aircraft equipment, and enterprises providing repair and maintenance services for aviation vehicles and equipment.

Where a service provider is required to obtain an aviation service business licence, Decree 205 requires the airport enterprise and the service provider to enter into the concession agreement for operation of the relevant aviation services within 60 days after that licence is issued.

It further prescribes mandatory contractual matters, including the parties' respective rights and obligations, concession fees, contract duration and provisions necessary to ensure aviation safety, security, service quality and environmental protection.

#### 5. Reduction of the scope of “aviation services” subject to licensing

“Aviation services” subject to the *aviation service business license* requirements have been amended to cover only passenger terminals, cargo terminals, aviation fuel supply, ground handling and inflight catering. An *aviation service business license* can cover multiple airport sites and multiple categories of aviation services.

On the other hand, instead of focusing primarily on pre-operational approval, the new regime places greater emphasis on an operator's ability to maintain ongoing operational capability. Aviation service providers must establish comprehensive safety management systems, operational manuals, emergency response procedures, environmental management systems and business continuity arrangements before commencing operations.

An airline is permitted to provide aviation services in support of its own flight operations. However, the scope of such self-provided services must be expressly included in its Air Operator Certificate (“**AOC**”).

#### 6. A more structured framework for aircraft wet leasing

Companion Decrees 208 and 223 do not fundamentally alter Vietnam's aircraft regulatory regime, which continues to be aligned with the Chicago Convention and ICAO standards. Their principal impact lies in modernising the legal framework for wet leasing while streamlining aircraft approval procedures.

The new legislation introduces, for the first time, a mechanism for the Civil Aviation Authority of Vietnam (“CAAV”) to recognise foreign AOCs. Accordingly, in a wet lease arrangement, it is no longer sufficient merely to notify CAAV that the foreign lessor holds a valid AOC. Instead, the foreign AOC must be formally recognised by CAAV before the aircraft may be operated in Vietnam, providing a clearer legal basis for regulatory oversight of foreign-operated aircraft.





The wet leasing regime has also become more prescriptive. Decree 208 introduces explicit quantitative limits, restricting Vietnamese airlines to operating a maximum of 10 wet-leased aircraft at any one time and limiting each wet lease to a maximum term of 12 consecutive months. These measures reflect a policy objective that wet leasing should remain a temporary solution for seasonal demand, fleet maintenance or delivery delays, rather than a long-term substitute for operating aircraft under the airline’s own AOC.

## 7. A modernized aircraft approval regime

At the same time, the new regime simplifies aircraft approvals. Under the previous framework, each aircraft lease agreement required CAAV approval as a condition to its effectiveness. That *lease approval* requirement has now been replaced by a broader *approval for the introduction of leased or purchased aircraft into civil aviation operations in Vietnam*. The regulatory focus therefore shifts from reviewing individual lease transactions to assessing whether one or more leased or purchased aircraft are suitable for operation in Vietnam from a safety, technical, and operational perspective.

Finally, the new legislation further strengthens the framework for cross-border aircraft leasing and financing by abolishing the mandatory requirement for an *export certificate of airworthiness*, except where required by the importing jurisdiction.

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