

Vietnam's Decree 96 on Investments: What Investors Need to Know

Alitium

Ho Chi Minh City

Level 5, L'Mak Signature Building
147 Hai Ba Trung
Xuan Hoa Ward (District 3)
Ho Chi Minh City, Vietnam

Hanoi

51 Phan Boi Chau
Cua Nam Ward (Hoan Kiem)
Hanoi, Vietnam

P: +84 (28) 3535 6460
E: vietnam@alitium.com

Contact

Phuong Vo

Managing Partner
phuong.vo@alitium.com

Phung Nguyen

Accounting & Tax Partner
phung.nguyen@alitium.com

Matthew Lourey

Chairman
mlourey@alitium.com

Vietnam | Singapore | Malaysia

[22 May 2026]

Vietnam is Streamlining Investment Approvals, but Compliance Remains Critical

Article authors:

Tran Thi Thuy Duong – Legal Manager

Tran Huu Thinh - Associate

Bui Thi Oanh Diem - Legal Assistance

On 11 December 2025, Vietnam's National Assembly adopted the Law on Investment 2025. This was followed by Decree No. 96/2026/ND-CP, issued on 31 March 2026 (Decree 96), which provides detailed guidance on how the new law will operate in practice. Together, these changes go beyond procedural updates. They reshape key aspects of market entry, project structuring, regulatory compliance and investment incentives - particularly for foreign investors. Below are the developments most likely to matter in practice.

Key Takeaways

- Vietnam had introduced an ERC-first market entry approach, enabling earlier company establishment while deferring substantive investment review to a later stage.
- Regulated business sectors are becoming more dynamic, with conditions subject to annual review and potential simplification.
- Investment procedures are being streamlined through greater digitalisation, clearer accountability, and more standardised processing rules.
- Project implementation is more tightly controlled under a detailed, progress-linked security framework tied to capital contribution and timelines.
- Investment incentives remain largely unchanged in form but are now more clearly directed toward strategic and technology-driven sectors such as digital infrastructure, AI and semiconductors.

Alitium

www.alitium.com

A New Market Entry Sequence: ERC-First, But Not a Shortcut

One of the most notable changes is the introduction of an “ERC-first” approach. Foreign investors can now establish a company before obtaining the Investment Registration Certificate (IRC). This allows for earlier market entry from a structuring perspective and gives investors more flexibility at the set-up stage. However, this is not a shortcut around regulatory approval. Investors are still required to complete the IRC process within 12 months. Regulatory authorities will assess market access conditions at that stage. In practice, this means faster setup, but delayed compliance review. Investors should therefore plan their structure carefully from the beginning, rather than treating the ERC stage as purely administrative.

A More Flexible Approach to Regulated Business Sectors

Decree 96 also changes how Vietnam manages regulated business sectors. Instead of treating these sectors as fixed, the new framework introduces an annual review mechanism. Each year, authorities assess how the conditions work in practice, whether they remain necessary, and whether they should be amended or removed.

The Ministry of Finance plays a central coordinating role, consolidating proposals from ministries and reporting to the Government before 30 June each year. The Decree also clarifies which sectors require upfront regulatory approvals and which may shift toward ongoing compliance checks after licensing.

For investors, this creates a more dynamic environment. Business restrictions may gradually become more flexible, and the annual review cycle could provide a practical opportunity to advocate for simplification of outdated requirements.

Investment Procedures: Greater Digitalisation and Regulatory Clarity

Decree 96 clearly reflects a reform-oriented approach aimed at enhancing transparency in administrative procedures, reducing compliance burdens and costs, promoting digital transformation, and gradually aligning Vietnam’s investment management framework with international practices. These changes not only make the legal framework more coherent and consistent but also enable investors to plan more effectively and mitigate procedural risks. At the same time, improved predictability in application processing, together with expanded electronic interaction channels, contributes to a more streamlined and investor-friendly experience throughout the entire investment lifecycle.

Key improvements include:

- A notable new feature of Decree 96 is the clearer definition of the grounds for investment registration agencies to stop processing or rejecting applications. Accordingly, in addition to the obligation to notify investors in writing, the Decree specifically lists the applicable cases, thereby overcoming the previous situation where the reasons given by state agencies were not entirely consistent or clear. This regulation contributes to increased transparency, predictability, and reduces arbitrariness in the investment application processing process. Three (3) cases are as follows:
 - o failure to amend, supplement or explain the dossier within the notified time limit;
 - o non-compliance of the application or proposed project adjustment with statutory requirements;
 - o late submission in cases where multiple investors file valid applications for the same project location.
- Decree 96 also modernises the filing framework in ways that should make the investment process more efficient for investors. Filing methods are expanded, allowing greater reuse of existing data and reducing unnecessary duplication in the application process. The Decree also re-confirms that electronic filings have the same legal validity as paper filings and, as a general rule, must bear a valid digital signature, subject to limited exceptions for foreign investors or economic organizations implementing projects before establishing an entity. Taken together, these changes reflect Vietnam’s broader push to digitalise public administration and create a more integrated and reliable filing system. For investors, the practical implication is a gradual shift toward paperless procedures, with more applications submitted electronically and more administrative results issued in electronic form.
- Decree 96 also clarifies the documents that may be used to demonstrate an investor’s financial capacity in investment procedures. In particular, unless otherwise required by law, investors are no longer required to submit audited financial statements for the two most recent years, and no specific validity period is imposed on financial support commitments or guarantees issued by a parent company, financial institution or other guarantor of the investor’s financial capacity. This

clarification is significant in practice. Previously, the legal framework did not address these points in sufficient detail, which led to inconsistent approaches among local authorities. In some major investment hubs, such as Ho Chi Minh City, these requirements had in practice already been applied more flexibly. By setting out the position more clearly, Decree 96 should help promote greater consistency in implementation and reduce unnecessary documentary burdens for foreign investors.

Managing Project Execution: A More Detailed Security Framework

Decree 96 introduces a more practical and detailed approach to project security. Under the new framework, security deposits are closely linked to project progress and capital contribution. Investors must therefore manage both timelines and cash flow more carefully.

Key features include:

- Clear rules on deposit timing, amount, refund and adjustment
- A progress-based refund mechanism rather than a one-time release
- Flexibility to adjust the deposit if project scale or phasing changes
- Specific rules for projects using fast-track procedures

This reduces the risk of deposits being locked up indefinitely - a common concern under earlier regulations. However, it also requires more disciplined project execution. For large projects, bank guarantees may become a strategic financing tool rather than just an alternative compliance option.

Where Investment Incentives Are Now Focused

Decree 96 updates and clarifies Vietnam’s priority sectors for investment incentives. While existing incentives - such as corporate income tax preferences, import duty exemptions, and land-related incentives - continue to be governed by relevant sectoral regulations, the Decree provides greater clarity on the categories of projects and industries that are prioritized.

Notable categories expressly recognised include:

Categories	Description
Sectors and projects eligible for investment incentives and special investment incentives (Appendix II)	<ul style="list-style-type: none"> • Advanced and strategic technologies • Digital transformation and artificial intelligence • Pharmaceuticals, vaccines and biotech • Domestic medicinal resources
Additional categories eligible for incentives (Article 19)	<ul style="list-style-type: none"> • Core defence and security industry establishments • High value-added industry cluster and value chain projects with global supply chain linkages • National important or key sectoral projects approved by the Prime Minister

In addition, Decree 96 introduces special investment incentives and support mechanisms under Article 21. This does not constitute a separate licensing procedure, but rather a targeted incentive regime applicable to high-priority projects that meet specified conditions, including thresholds relating to investment scale and disbursement commitments. Eligible projects include:

- Innovation and R&D centres
- Large data centres and cloud infrastructure
- Advanced digital infrastructure (including 5G+)
- Semiconductor projects across the value chain
- AI-related infrastructure

The key policy shift lies not necessarily in expanding the level of incentives, but in providing a clearer strategic direction. Vietnam is increasingly focusing on attracting high-technology, innovation-driven projects with strong spillover effects and strategic significance to the broader economy.



Project Timeline: Clearer Rules for Adjustment and Extension

Decree 96 introduces a clearer distinction between the concepts of project duration adjustment and project extension compared to the previous regulatory framework. Importantly, it allows investors to exercise these options within the last 12 months prior to project expiry (as opposed to 6 months under the previous regulations, which applied only to land-use projects), depending on whether the project has reached the maximum statutory duration.

Scenario	Available Route
Where the project duration has not yet reached the statutory limit of 50 or 70 years	<ul style="list-style-type: none">• Adjustment of project duration (increase or decrease within the applicable statutory limit); or• Extension of the project (commencing a new cycle within the statutory limit).
Where the project duration has reached the statutory limit	<ul style="list-style-type: none">• Extension only, subject to competent authority approval.

This more structured approach helps reduce confusion in practice. It also enables investors to better plan the lifecycle of their projects, while providing authorities with a clearer legal basis for review and approval.

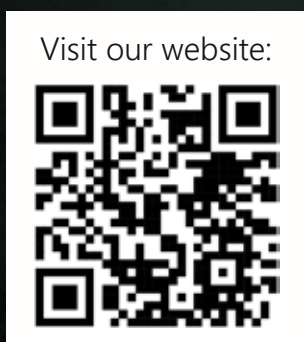
In conclusion, Decree 96 sends a clear signal: Vietnam is making its investment framework more practical, transparent and aligned with strategic priorities. Market entry is becoming more flexible, procedures more structured, and incentives more targeted. However, greater flexibility does not mean lighter oversight. Investors will still be expected to maintain strong accountability and ongoing compliance. For investors, success will depend not just on moving quickly, but on entering the market with the right structure, a clear compliance strategy and a well-defined long-term plan.

For any further questions you may have, please reach out to us at vietnam@alitim.com

This article is intended to provide an overview of recent updates and announcements. While it aims to present useful insights, it is important to note that the content shared here should not be considered as formal legal or compliance advice. For specific guidance on compliance obligations or legal matters related to your business, we strongly recommend consulting with a qualified professional, such as a qualified professional advisor or legal expert or directly reach out to us.

This publication is intended a general overview, and not intended to be comprehensive or to be relied upon as professional advice. Although every effort has been made to ensure accuracy of the information disclosed, Alitium disclaims all responsible for any party that relies upon the contents.

(c) Alitium Professional Services Company Limited, 2026



[linkedin.com/company/alitim](https://www.linkedin.com/company/alitim)

contact@alitim.com

[youtube.com/@AlitiumGroup](https://www.youtube.com/@AlitiumGroup)

[facebook.com/AlitiumGroup](https://www.facebook.com/AlitiumGroup)

Alitium
Vietnam | Singapore | Malaysia

www.alitim.com