

# Amendments to Vietnam's Law on Investment: Key Changes from December 2025

Understanding Impacts and  
Implications for Foreign  
Investment in Vietnam

Alitium

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# About Alitium

Alitium Professional Services is a specialist consultancy supporting foreign investors in navigating Vietnam's regulatory, financial, and operational environment. With expertise across accounting, governance, compliance, and corporate advisory, Alitium delivers clear, practical guidance tailored to enterprises operating in Vietnam's evolving legal landscape. The firm combines professional values with modern, data-driven methodologies to provide reliable solutions aligned with both local requirements and international standards.

Alitium's mission is to help foreign-invested enterprises establish, operate, and grow in Vietnam with confidence. Its accounting and compliance practice assists clients in designing compliant systems, interpreting regulatory obligations, structuring financial processes, and implementing internal controls. From initial setup through ongoing operations, Alitium ensures enterprises meet statutory obligations while maintaining transparent and defensible financial information, which is an increasingly critical foundation as Vietnam shifts toward principles-based regulation.

In the area of investment and legal advisory, Alitium provides strategic support on market entry, licensing, and compliance with Vietnam's investment laws. The firm advises on structuring foreign direct investment projects, preparing documentation for Investment Registration Certificates, and navigating conditional business lines and incentive regimes. With constant changes to investment laws, Alitium helps clients interpret new requirements, align with evolving approval processes, and position projects to benefit from Vietnam's priority sectors such as technology, green growth, and advanced manufacturing.

With a strong understanding of the challenges faced by foreign investors, Alitium prioritizes clarity, proactive risk management, and solutions that balance compliance with commercial objectives. Its commitment to governance and transparency enables enterprises to operate confidently, mitigate risk, and build long-term credibility in Vietnam.



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Phuong is a registered lawyer in Vietnam, with more than 10 years professional experience advising foreign investors with their market entry and ongoing commercial and structural requirements in Vietnam. Prior to founding Alitium, Phuong directly lead a team of 20 lawyers focussing on supporting foreign-listed and multi-national investors.

Phuong's main practice areas have focussed on licensing, company establishment and structuring – particularly in difficult market access sectors in Vietnam for foreign investors.



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Phung is an expert in accounting and tax in Vietnam for foreign investors. With 20 years of experience in accounting, tax and advisory, Phung (CPA, CA) provides clear, compliant solutions that integrate financial and legal expertise. She works with businesses of all sizes, offering practical, results-driven advice to support sustainable growth.

Phung understands the compliance intersection with foreign investment requirements and local obligations, and advises on strategies and solutions for foreign investors.



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Matthew is an Australian Chartered Accountant, with 20 years professional experience advising corporate investors in Vietnam.

Matthew was the founder of a significant professional services firm in Vietnam, and is known for his extensive knowledge and experience advising foreign investors to navigate and remain compliant with Vietnam's complex regulatory environment.

# Introduction

## Highlighted Amendments to the Law on Investment 2020

On 11 December 2025, the National Assembly of Vietnam enacted sweeping amendments to the Law on Investment, marking some of the most significant reforms to the country's investment framework in recent years. These changes, which will take effect during 2026, are designed to modernise Vietnam's regulatory environment, reduce administrative burdens, and align investment policies with the nation's long-term socio-economic development goals.

The amendments reflect a decisive shift in policy direction. By cutting back conditional business lines, streamlining licensing requirements, and introducing new incentive structures, the Government aims to create a more transparent, predictable, and investor-friendly landscape. At the same time, the reforms emphasize strategic priorities such as science and technology, green growth, advanced manufacturing, and digital transformation, which are all sectors that are increasingly central to Vietnam's competitiveness in the global economy.

For foreign and domestic investors alike, the new law offers both opportunities and responsibilities. Simplified procedures for establishing economic organisations, updated rules on investment incentives, and clarified approval mechanisms for large-scale or sensitive projects are expected to accelerate investment flows while ensuring stronger oversight in areas with environmental, social, or national security implications.

This publication provides a structured overview of the key amendments, highlighting the removal and revision of conditional business activities, the recalibration of investment incentives, and the procedural changes that will shape how projects are approved and implemented. By understanding these reforms, businesses and strategic advisors can better anticipate the evolving investment climate and position themselves to take advantage of Vietnam's next phase of economic growth.

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## 1. Prohibited and Conditional Business Activities

The number of conditional business activities has been cut by 38, leaving 196 activities primarily in sectors such as finance, accounting, agriculture, forestry, fisheries, construction, and transportation. Additionally, 20 business activities have been reviewed and amended, while electronic cigarettes and heated tobacco products have been added to the list of prohibited goods.

These 38 business activities will no longer require obtaining a sector-specific license as a condition precedent to commencing operations. Instead, the regulatory approach shifts toward either elimination of requirements or conversion from license/certification to procedure of publication of business requirements and conditions, accompanied by a post-inspection (hậu kiểm) management mechanism.

In addition, the technical regulations and standards issued by competent authorities regarding product and service quality will not be considered investment and business conditions (i.e., conditions that organizations and individuals must satisfy when conducting investment and business activities in sectors and industries subject to conditional business requirements)

The Government will publish 2 new lists:

- a. List of conditional businesses that must continue to undergo pre-operation licensing or certification; and
- b. List of conditional businesses that transition from licensing/certification to a regime based on published business requirements and post-inspection management.

The Government has indicated that relevant ministries will formulate regulatory standards and management methods for sectors affected by the licensing cuts. Article 7 and the List of Conditional Business Activities (Appendix IV), which will take effect from 1 July 2026.

Refer to the following appendices for specific details

**Appendix A** (page 12) for list of 38 Conditional Business Lines Removed

**Appendix B** (page 13) for the list of 20 Amended Conditional Business Activities

## 2. Investment Incentives

### Changes to business activities eligible for investment incentives

A new approach has been taken towards investment incentive policies, as instead of specifying a list of incentivized industries, the law now provides overarching principles and delegates to the Government the authority to identify incentivized sectors appropriate for each stage of socio-economic development.

Accordingly, priority sectors for investment attraction are those with a leading role in economic growth, including but not limited to:

- a. Science, technology, and innovation;
- b. Green economy, circular economy, and sharing economy;
- c. Development of industry clusters and value chains, attraction of investment in modern management, high value-added sectors with spillover effects, and integration into global production and supply chains;
- d. Key chemical industry, key mechanical industry, supporting industry, and the pharmaceutical industry.

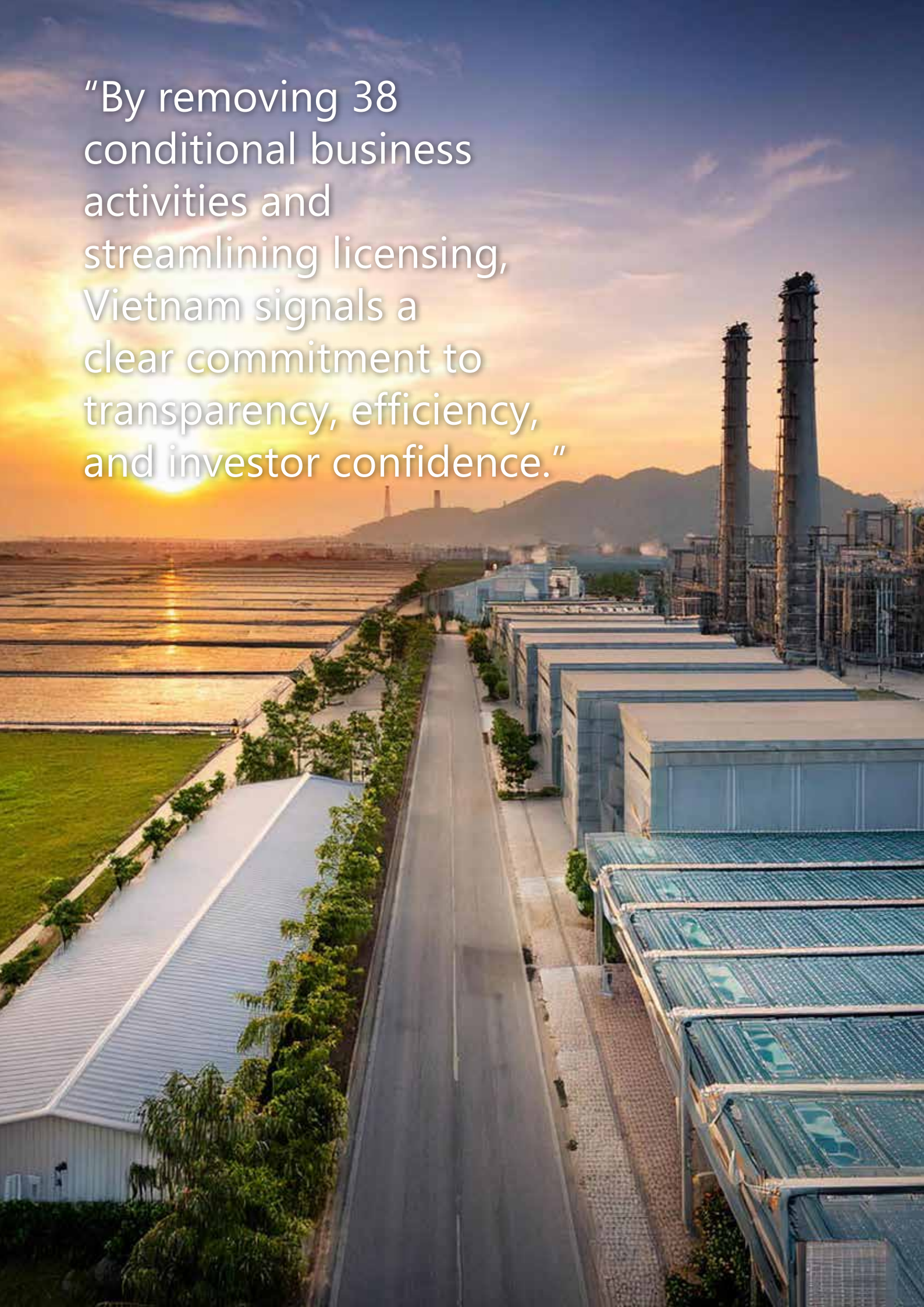
### Changes to business activities eligible for special investment incentives

- a. The previous regulations required projects to fall under specially incentivized sectors and have a minimum capital scale of VND 30,000 billion, with at least VND 10,000 billion disbursed within 3 years. In practice, it is difficult for any project to meet such criteria. The new law no longer sets rigid thresholds but instead provides general principles and also authorizes the Government to determine specific criteria suitable to each economic context.
- b. Additional special investment incentives (subject to appropriate capital scale and disbursement progress) have been updated as suggested in specific laws (i.e. Law on Pharmacy, Law on Digital Technology Industry, Law on Chemicals) and the promulgated legislation for the Law on Investment adds several types of projects eligible for such as:
  - i. Production of key digital technology products;
  - ii. Research, development, design, fabrication, packaging, and testing of semiconductor chips;
  - iii. Construction of data centers and artificial intelligence centers.

The prevailing policy direction reflects a shift toward prioritizing investment incentives for high-technology sectors. Activities related to innovation sectors, semiconductors, advanced manufacturing, digital transformation, and other deep-tech fields are increasingly positioned at the centre of national development strategies. These additions are driven by global trends in digital economy development, green transition, and the accelerating competition among countries to attract investment into the semiconductor industry.



“By removing 38 conditional business activities and streamlining licensing, Vietnam signals a clear commitment to transparency, efficiency, and investor confidence.”



# 3. Investment Forms & Structures

In general, the investment forms in Vietnam remain unchanged. These include: (i) establishing an economic organization; (ii) contributing capital, purchasing shares, or purchasing capital contributions; (iii) implementing an investment project; (iv) investment under a BCC (Business Cooperation Contract); and (v) other forms of investment and types of economic organizations as prescribed by the Government.

However, key changes apply to establishing an economic organization, investment by contributing capital or purchasing shares, and clarifications regarding BCC.

## Investment in establishing an economic organization, FDI setup can happen prior to investment registration certificate (IRC)

Foreign investors are now allowed to establish an FDI enterprise before completing procedures for issuance or adjustment of the IRC. Accordingly, foreign investors must comply with market access conditions for foreign investors when carrying out procedures to establish an economic organization.

Previously, foreign investors had to obtain or adjust an Investment Registration Certificate (IRC) before establishing an economic organization, creating inequality and reducing Vietnam's attractiveness. The amendment removes this requirement to ensure equal treatment, simplify procedures, and make Vietnam more appealing to foreign investors.

Key Implications include:

- a. The Enterprise Registration Division will generally be the authority to review market access conditions when approving the addition of business lines, instead of the Foreign Investment Registration Office/Industrial Zone Management Board. Accordingly, the licensing time may be reduced to three (3) working days under the Law on Enterprises, instead of 10 days under the Law on Investment as currently applied. This is significant time savings.
- b. Banks are now permitted to open a Direct Investment Capital Account (DICA) and enable capital contribution within 90 days, without relying on the IRC as a prerequisite.
- c. The investor stated on the IRC may be the economic organization implementing the project, rather than the foreign investor itself. Maybe, the documentation could be reduced with the time for legalization time.

## Investment Activities of Economic Organizations with Foreign Capital

When contributing capital, purchasing shares, or implementing other investment projects, foreign investors (FDI) must comply with conditions and procedures applicable to foreign investors if they fall under any of the following levels:

- a. A foreign investor holds more than 50% of the charter capital, or most general partners in a partnership are foreign individuals;
- b. Another economic organization (as defined in point a) holds more than 50% of the charter capital;
- c. Both foreign investors and such economic organizations hold more than 50% of the charter capital.

Compared to the previous regulations, the new law retains "the injection of capital, purchasing shares, or transferring contributed capital" but removes "establishing a new enterprise" and "business cooperation contracts (BCC)". These have been consolidated under the broader category of "implementation of other investment projects."

Similar to the previous section, FDI not falling under the above cases still follow conditions and procedures applicable to domestic investors when: Establishing another economic organization; Contributing capital, purchasing shares, or capital contributions; Investing under a BCC (Business Cooperation Contract).

## Investment in the form of a BCC

Overall, the rules remain largely unchanged. However, one clarification is that during the performance of a BCC contract, the parties may agree to use assets formed from the business cooperation to establish an enterprise in accordance with the law on enterprises. Additionally, the detailed provisions on BCC have been removed and are expected to be regulated in the Government's implementing guidelines.

## 4. Investment Procedures

### Amendment to projects and the authority passing Investment Policy Approval (“IPA”)

The new Law on Investment introduces a comprehensive recalibration of cases subject to IPA with newly added projects, clarifying existing projects, and simultaneously changes of approval authority. These changes remain based on the principle of approving investment policies only for projects involving infrastructure development in certain important and sensitive sectors, such as seaports, airports, telecommunications, publishing, and press, as well as projects proposing the use of land or sea areas, projects with significant environmental impact or potential serious environmental risks, and projects located in areas affecting national defense and security.

- a. The scope of projects subject to IPA is expanded with newly added projects requesting State allocation of marine areas, which is approved by the President of People’s Committee. The inclusion reflects the evolving structure of the economy and emerging investment models, and provides a clear legal basis for the approval and implementation of such project.
- b. The amendments to existing provisions reflect a broader shift toward stronger upfront State control over land-intensive developments:
  - i. Investment projects for housing construction (for sale, lease, or lease-purchase) or urban areas, regardless of land size or population) where investors acquire land-use rights through agreement or already hold land-use rights under housing and land laws. Law on Investment keeps controlling the housing construction or urban areas areas of projects regardless of their scale. This re-wording is to align with practical process, in which projects using own-acquisition land must be approved and go through the land re-allocation process.
  - ii. Investment projects for construction and business golf courses, except those included in housing or urban development projects where land is allocated or leased through auction or bidding. By maintaining approval for golf course projects while carving out a narrow exclusion for golf courses integrated into housing or urban projects developed through land auction or investor tendering shows a calibrated relaxation.
  - iii. Investment projects for construction and business of infrastructure in newly added zones (Concentrated IT zones).
- c. The approval authority of the National Assembly is narrowed to only projects requiring special mechanisms or policies while the rest projects is now approved by the Prime Minister, addressing the limited annual meeting schedule of the National Assembly and reducing both time and costs for investors.
- d. At the provincial-level, the President of People’s Committee will be the authority to approve IPA instead of People’s Committee. This change ensures compliance with the principles of organization and operation of local government under the Law on Organization of local authority. Accordingly, local People’s Committees function as a collective body while emphasizing the individual responsibility of the President.
- e. In addition to the unchanged exemption for projects by individuals that are not subject to provincial People’s Committee approval before land lease or land-use conversion, the Amended Law introduces further exemptions to ease requirements for investors, including:
  - i. Projects for construction of industrial cluster infrastructure;
  - ii. Mineral exploitation projects subject to auction or serving emergency mobilization under the Law on Geology and Minerals;
  - iii. Other projects as prescribed by the Government.

## Changes to IPA adjustment cases

The amended Law on Investment refines regulations on cases requiring IPA adjustment, aiming to simplify procedures, facilitate investment, and avoid unnecessary amendments to investment policies for minor changes. These include:

- a. Previously, the land scale (over 10% or over 30 hectares) was a key factor in determining whether an IPA update was required. Under the amended Law on Investment, this specific threshold will be determined by the Government based on practical implementation.
- b. Regarding the project schedule, the amended Law on Investment extends the threshold for requiring an amendment from "more than 12 months" to "more than 24 months." Therefore, if the adjustment to the project schedule does not exceed 24 months from the registered timeline, it is not necessary to amend the IPA. However, to prevent misuse of this provision, investors may only extend the project schedule in specific cases prescribed by law, such as: Addressing force majeure events; Delays caused by the State in land allocation; or Adjustments that increase total investment capital by 20% or more, resulting in changes to the project's scale; and other similar cases; etc.
- c. Abolishing the cases (i) the change in total investment capital of 20% or more alters the scale of the investment project, and (ii) where the investor changes the technology that was already appraised and consulted upon during the initial IPA. This provision creates flexibility, allowing investors to adopt technologies suitable for their production and business needs over time without being constrained by rigid procedures.

“The shift toward prioritizing high-technology, green growth, and global value chain integration reflects Vietnam’s ambition to position itself as a hub for sustainable and advanced industries.”



## 5. Simplified Outbound Investment Activities

Vietnamese businesses are often ready to go global, but outdated overseas investment procedures hold them back. Current regulations create unnecessary complexity, slowing growth and limiting opportunities for expansion. Vietnamese investors use their own private capital for overseas projects under the business freedom principle of Vietnamese law. However, Vietnam still requires approval for aspects such as project form, scale, location, timeline, and funding sources, matters that fall under the jurisdiction of the host country, creating an overlap with foreign laws.

Further, investors mainly aim to transfer funds abroad for business purposes, with around two-thirds of projects having capital under VND 20 billion and being relatively small. However, existing procedures remain cumbersome and difficult to enforce after funds are transferred, which restricts investment opportunities (all projects require approval from the Prime Minister or an Overseas Investment Registration Certificate, although none have yet required National Assembly approval). Many countries' experiences shows that they only monitor cross-border fund flows rather than the entire investment process, while Vietnam maintains complex approvals.

To address these challenges and accelerate overseas investment, the following key amendments to the Law on Investment are introduced:

- a. Abolishing the procedures for approving investment policy for overseas investment under the authority of the National Assembly, and requiring only reporting to seek the Prime Minister's opinion in certain cases; and
- b. Exempting certain lower-value projects from obtaining an Overseas Investment Registration Certificate, requiring instead only the registration of foreign exchange transactions prior with State Bank of Vietnam (SBV) to making the overseas investment.

To help visualize more easily, we have summarized this in the table below.

Projects	Approval of the Prime Minister (Subject to the opinion Ministry of Finance)	Overseas Investment Registration Certificate granted by Ministry of Finance	Register for foreign exchange transactions with SBV
<b>Level 1 (Highest)</b>			
Apply for projects of significant scale or those proposing special support policies and mechanisms	X	X	X
<b>Level 2</b>			
Apply to projects that meet the overseas investment capital threshold prescribed by the Government or fall within sectors subject to conditional overseas investment.		X	X
<b>Level 3 (Lowest)</b>			
Applies for:			
(a) Outbound investment projects with a capital below threshold prescribed by the Government and not in sectors subject to conditional overseas investment;			
(b) Outbound investment projects related to national defense and security implemented under agreements between the Government of Vietnam and foreign governments; or			X
(c) Outbound investment projects of state-owned corporations, groups, and other economic organizations as prescribed by the Government.			

## Conclusion

The 2025 amendments to Vietnam's Law on Investment represent a strategic repositioning of the country's investment approach, and not simply a technical update to regulatory procedures. By reducing conditional business lines, streamlining licensing, and recalibrating incentives toward high-technology, green growth, and global value chain integration, Vietnam is laying the foundation for a more competitive and resilient economy.

For investors, the reforms promise greater clarity, faster procedures, and expanded opportunities in sectors that align with global development trends, from semiconductors and digital technology to sustainable industries. For policymakers, they provide tools to balance openness with oversight, ensuring that investment flows contribute to national priorities while safeguarding social, environmental, and security interests.

As Vietnam continues to deepen and imbed as a core element in the global economy, these changes underscore the country's commitment to fostering innovation, attracting strategic capital, and positioning itself as a hub for advanced industries in Southeast Asia. This new law is a further step toward regulatory modernization, and a statement of intent about Vietnam's future direction in an era defined by technological transformation and sustainable growth.



# Appendix A

## 38 Conditional Business Activities Removed

No.	Business Line	Sector
1	Tax procedure services	Finance, Accounting, Commerce
2	Customs procedure services	Finance, Accounting, Commerce
3	Insurance auxiliary services	Finance, Accounting, Commerce
4	Commercial inspection services	Finance, Accounting, Commerce
5	Temporary import and re-export of goods subject to excise tax	Finance, Accounting, Commerce
6	Temporary import and re-export of frozen food	Finance, Accounting, Commerce
7	Temporary import and re-export of used goods	Finance, Accounting, Commerce
8	Energy auditing	Finance, Accounting, Commerce
9	Employment services	Culture, Society and Health
10	Labour subcontracting services	Construction, Transportation
11	Automobile warranty and maintenance services	Construction, Transportation
12	New building, conversion, repair, and restoration of inland waterway vehicles	Construction, Transportation
13	Maritime safety assurance services	Construction, Transportation
14	Sea towing services	Construction, Transportation
15	New building, conversion, and repair of ships	Construction, Transportation
16	Flight operation assurance services	Construction, Transportation
17	Multimodal transport services	Construction, Transportation
18	Architectural services	Construction, Transportation
19	Construction activities by foreign contractors	Construction, Transportation
20	Cost management services for construction investment	Construction, Transportation
21	Management and operation services for apartment buildings	Construction, Transportation
22	Management and operation services for cremation facilities	Culture, Society and Health
23	Data center services	Technology, Land
24	Study abroad consulting services	Culture, Society and Health
25	Breeding and planting of wild species listed under CITES and endangered species lists	Agriculture, Forestry, Fisheries
26	Breeding common wild animals	Agriculture, Forestry, Fisheries
27	Export, import, re-export, transit, and introduction from sea of natural specimens of species under CITES and endangered species lists	Agriculture, Forestry, Fisheries
28	Export, import, re-export of artificially propagated or bred specimens under CITES and endangered species lists	Agriculture, Forestry, Fisheries
29	Processing, trading, transporting, advertising, displaying, storing specimens of species under CITES and endangered species lists	Agriculture, Forestry, Fisheries
30	Trading food under specialized management of the Ministry of Agriculture and Rural Development	Agriculture, Forestry, Fisheries
31	Animal quarantine services	Agriculture, Forestry, Fisheries
32	Cosmetic surgery services	Culture, Society and Health
33	Calibration, testing, and verification services for measuring instruments	Technology, Land
34	Art performance, fashion shows, beauty contests, and modeling services	Culture, Society and Health
35	IT infrastructure construction and software development for land information systems	Technology, Land
36	Land database construction services	Technology, Land
37	Printing and minting money	Finance, Accounting, Commerce
38	Archiving services	Finance, Accounting, Commerce

# Appendix B

## 20 Amended Conditional Business Activities

No.	Business Line	Sector
1	Practising judicial expertise in the fields of finance, banking, construction, antiquities/relics, and copyright	Legal
2	Providing securities registration, depository, clearing, and settlement services; providing supporting services for transactions on the domestic carbon exchange operated by the Vietnam Securities Depository and Clearing Corporation, listed securities market organisers, and other securities markets	Finance, Accounting, Commerce
3	Manufacturing, trading in chemicals, excluding prohibited chemicals under the international convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction, as listed in Appendix II of this Law; providing chemical storage services; providing specialised chemical consultancy services	Manufacturing, Trading
4	Trading in tobacco products, tobacco raw materials, and specialised machinery/equipment for the tobacco industry, excluding electronic cigarettes and heated tobacco products	Finance, Accounting, Commerce
5	Trading in food products falling under the specialised management of the Ministry of Industry and Trade, Ministry of Agriculture and Environment, and Ministry of Health	Finance, Accounting, Commerce
6	Operating e-commerce activities: managing and operating intermediary e-commerce platforms, social networking platforms with e-commerce functions, or integrated e-commerce platforms; providing electronic contract authentication services in commerce	Finance, Accounting, Commerce
7	Operating airports; providing aviation services at airports and aerodromes	Construction, Transportation
8	Providing aviation services at airports and aerodromes	Construction, Transportation
9	Providing practising construction works execution services as a construction site supervisor	Construction, Transportation
10	Providing printing services, excluding printing of packaging that does not contain goods labels	Auxiliary Service
11	Providing processing, recycling, repair, refurbishment services for used information technology products product listed in the prohibited import list, for foreign partners foreign traders, with the purpose of consumption abroad	Manufacturing, Trading
12	Trading in aquatic animal feed, livestock feed, and environmental treatment products for aquaculture	Agriculture, Forestry, Fisheries
13	Providing testing services for aquatic animal feed, livestock feed, and environmental treatment products for aquaculture	Agriculture, Forestry, Fisheries
14	Trading in biological preparations, microorganisms, chemicals, and environmental treatment substances used in aquaculture and animal husbandry	Agriculture, Forestry, Fisheries
15	Providing veterinary technical services; animal testing and surgery services; vaccination, diagnosis, prescription, treatment, and health care services for animals	Culture, Society and Health
16	Trading Breeding aquaculture species	Agriculture, Forestry, Fisheries
17	Trading in medical equipment	Culture, Society and Health
18	Providing intellectual property representation services (including representation of copyright and related rights, industrial property rights, and plant variety rights)	Auxiliary Service
19	Providing payment intermediary services; providing payment services without customer payment accounts; providing mobile money services	Finance, Accounting, Commerce
20	Trading in gold, excluding gold jewellery and handicraft gold items	Finance, Accounting, Commerce



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