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LEGAL UPDATE

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VIETNAM'S NEW INVESTMENT REGIME: UNLOCKING FLEXIBILITY FOR INBOUND AND OUTBOUND INVESTMENT

New Law No. 143/2025/QH15 on Investment effective from 1 March 2026 (“**New LOI**”) and Decree No. 96/2026/ND-CP elaborating some articles of the New LOI (“**Decree 96/2026**”) aim to foster a more favorable and robust business environment for domestic and international investors. In parallel, Decree No. 103/2026/ND-CP on outbound investment (“**Decree 103/2026**”), which took effect on 3 April 2026, provides greater clarity and guidance for Vietnamese investors undertaking overseas investments.

Taken together, these regulatory developments are expected to unlock greater flexibility across the investment lifecycle: entering the Vietnamese market or expanding beyond it. What do these changes mean in practice, and which developments should investors pay closest attention to?



The answers are reflected in the key highlights below:

INBOUND INVESTMENT

1. Enterprise First, Investment Project Later

Previously, foreign investors were required to register an investment project before setting up an enterprise.

The new LOI introduces a notable change in the licensing sequence. Particularly, foreign investors may now first establish an enterprise and thereafter proceed to register the investment project¹ within 12 months from the date of establishment of the enterprise. The administrative procedures for setting up the enterprise will involve the review of market access conditions, including² foreign ownership limits, form of investment, scope of investment activities, capability of the investors and partners, and other conditions under applicable laws and international treaties. The registration of an enterprise and an investment project will continue to be evidenced by the Enterprise Registration Certificate (ERC) and the Investment Registration Certificate (IRC), respectively. After the issuance of the IRC, the foreign investor will be allowed to carry out the investment project as registered.

¹ Article 72.4 of the Decree 96/2026

² Article 8.3 of the New LOI

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This represents a departure from the long-standing practice in Vietnam, where obtaining an IRC prior to an ERC was mandatory for foreign investment. Such changes are expected to help foreign investors shorten the timeline for market entry. While the IRC procedures are being carried out concurrently, foreign investors can now begin preparing for operations, such as recruiting personnel and opening bank accounts.

However, it should be noted that the IRC must be obtained within 12 months from the date of the enterprise's establishment. Currently, there is still pending guidance on how to handle investment and enterprise matters if the IRC is not issued within such period. Therefore, foreign investors should carefully consider and develop a suitable operational preparation plan.

2. Industry-Based To Goal-Oriented Incentives

A traditional approach is to grant incentives based on specific industries, e.g. manufacturing green energy; preschool education, vocational education and training, etc. Such list of industries can quickly become outdated especially when technology and business models constantly evolve, which may require frequent amendments to the law.

The New LOI introduces a goal-oriented incentive approach. Accordingly, incentives may be granted to industries contributing to, for example, the green economy, sharing economy, digital economy, or the development of education and training. On this basis, the Government will from time to time issue and review lists of eligible industries specifying those that may be entitled to incentives.

3. Conditional Businesses – From Ex-Ante to Ex-Post Control

The New LOI continues to maintain a list of conditional business lines subject to requirements

such as licenses, certificates, approvals, or conditions imposed for reasons of national defense, social morality, and public health. The Government will accordingly clarify (a) which of these business lines require licenses prior to the commencement of business activities and (b) which may be subject to ex-post control.

OUTBOUND INVESTMENT

4. Relaxation of OIRC Requirements

Previously, all outbound investment projects, regardless of investment scale, were required to (i) obtain an Outbound Investment Registration Certificate (“OIRC”) and then (ii) register foreign currency transaction for capital transfer.

Under the New LOI, certain outbound investment projects will no longer be required to obtain an OIRC. E.g.

- (a) Any outbound investment project of which capital is below VND 7 billion and which does not fall within the conditional sector such as (i) banking; (ii) insurance; (iii) securities; (iv) press, broadcasting, and television; and real estate business³;
- (b) Any outbound investment project involving national defense and security under agreements with foreign governments;
- (c) Any outbound investment project carried out by State-owned enterprises.

³ Article 18.1 of the Decree 103/2026

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