

CORPORATE & INVESTMENT · MARKET ENTRY

Vietnam's Investment Law 2025: Market Entry for Foreign Investors

A new investment regime takes effect on 1 March 2026, reshaping how foreign investors enter the Vietnamese market — from licensing sequence to conditional-business reform. Five changes that matter, and what to do about them.



Saigon River, Ho Chi Minh City — photo: Tron Le / Unsplash

IN THIS ISSUE

Opening note

Effective as of 1 March 2026, Law No. 143/2025/QH15 on investment (“Investment Law 2025”) replaces the previous regulatory regime after five years. Investment Law 2025 is further guided by Decree No. 96/2026/ND-CP issued by the Government on 31 March 2026 and effective on the same day (“Decree 96”). Together, they form the core regulations on doing business in Vietnam, introducing pivotal reforms designed to accelerate market entry and reduce the administrative burden for foreign investors.

ANALYSIS

Discussion

KEY REFORM 01 — ERC-before-IRC sequencing

Prior to the Investment Law 2025, foreign investors were required to obtain the Investment Registration Certificate (“IRC”) as a condition precedent for Vietnam-based entity incorporation. Under the new framework they are no longer required to do so.

Instead, the law allows investors to obtain an Enterprise Registration Certificate (“ERC”) first, then secure the IRC at a later stage — ensuring greater equality between foreign and domestic investors during the initial setup phase.

While the ERC-first route is technically permitted to accelerate market entry, its implementation faced significant bottlenecks at the licensing authorities, lacking specific guidance from the Ministry of Finance (the “MOF”). To clarify, on 29 April 2026 the MOF issued Official Letter No. 5427, providing that the enterprise-registration application in this scheme must include commitments on satisfying market-access conditions, and no IRC is needed.

Obtaining the ERC first creates a legal footprint in Vietnam, allowing foreign-invested enterprises (“FIEs”) to initiate preliminary activities prior to issuance of the IRC:

- **General administration:** tax identification number, corporate seal, digital signature (token), and corporate VNEID;
- **Bank accounts:** open operating bank accounts (VND and other currencies);
- **Employment:** execute labour contracts and apply for work permits / exemptions for foreign employees;
- **Preliminary contracts:** enter into service contracts with suppliers and agents, including an office lease.

Nevertheless, the implications of the ERC-first scheme should be carefully considered, as a degree of uncertainty is unavoidable.

Post-ERC and without an IRC, an FIE remains a “shell” — not permitted to engage in primary commercial activities.

Critical compliance on the IRC

Despite having legal entity status upon ERC issuance, several restrictions still apply without an IRC:

- **Capital contribution:** opening a direct investment capital account (“DICA”) requires an IRC under current rules — though draft amending Circular 06/2019/TT-NHNN may relax this;
- **Commercial activity:** in practice, licensing authorities take the view that an IRC is required before an FIE can sign client contracts and generate revenue;
- **Sub-licensing:** an FIE may not apply for operational sub-licenses in conditional sectors, such as retail trading licenses;
- **Tax incentives:** the entity cannot claim tax and investment incentives, as an issued IRC is the required statutory basis.

Investors should remain vigilant regarding the risk of IRC rejection, which may prolong market entry. An earlier draft decree threatened mandatory dissolution where the IRC was not secured within twelve months of ERC issuance; that sanction was removed from Decree 96, leaving the point unaddressed.

ERC-first is not the sole incorporation route: the traditional IRC-first approach remains available and, while slower, offers greater legal certainty and avoids amending ERC-registered business lines where activities are not approved under the IRC.

KEY REFORM 02 — Narrowed scope of investment policy approval (IPA) and decentralized authority

Previously, each IPA competent authority carried its own list of in-scope projects, creating confusion over whether the IPA procedure applied. The new law moves from an authority-based system to a definitive category-based one, explicitly listing 20 project categories that require an IPA — narrowing the requirement to sensitive infrastructure, land, or projects with significant environmental or security implications.

Under the old regime the National Assembly's authority turned on quantitative thresholds (land area, number of residents), restricting local autonomy. The Investment Law 2025 limits its involvement to projects requiring special policies that deviate from its legislation. Approval authority now rests primarily with the Prime Minister for critical categories and the provincial People's Committee Chairpersons (rather than the Committees themselves) for most projects.

Defined categories plus decentralized authority resolve former ambiguities: investors first determine whether their project falls within the requirement, then identify the competent authority — minimizing administrative delay.

KEY REFORM 03 — Expedited regulatory pathways

Traditional procedures required multiple licensing steps and lengthy upfront reviews, especially for large high-tech and innovation projects. At the end of 2024, Vietnam first introduced special investment procedures for innovation and R&D centers, semiconductor design, and prioritized high-tech products promoted by the Prime Minister.

The special mechanism continues under the Investment Law 2025, but removes restrictions on applicable sectors — satisfaction of the investment location is now sufficient. It applies to projects in industrial parks, high-tech zones, international financial centers, and digital technology zones (except those subject to IPA). Such projects are exempt from IPA, technology assessment, environmental impact assessment, detailed master plan, construction permits, and fire-safety certifications. Investors submit an IRC application dossier (processed within 15 working days), incorporating formal commitments on environmental, construction, and fire-fighting compliance. The implementation timeline is significantly expedited versus traditional procedures.

The shift from rigid pre-licensing approvals toward post-inspection compliance is expected to attract more investment into Vietnam's priority industrial sectors.

KEY REFORM 04 — Operational flexibility

The Investment Law 2025 introduces several amendments increasing investment and operational flexibility:

- Removing the triggers for IPA amendment, namely capital increases exceeding 20% or modifications to appraised technologies.

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- Allowing investors to adjust the project term throughout the operational phase, rather than only near its end.
 - Expanding the cases in which a real estate project under IPA may be transferred (previously limited to projects under IRC and investor approval).
 - Cutting conditional business lines from 234 to 142 (see Reform 05).

KEY REFORM 05 — Fewer conditional business lines and a shift to post-inspection (hậu kiểm)

The old regulations listed 234 conditional business lines, each subject to sub-licensing before full operation. An excessive portfolio of conditional industries reduces efficiency and weakens competitiveness. The Investment Law 2025 cut the list to 198 (removing 36 activities); Resolution No. 66.17/2026/NQ-CP of 15 May 2026 (“Resolution 66.17”) cut a further 56, to 142 — effective 1 July 2026 to 28 February 2027.

The law classifies conditional lines into two pathways: (i) a pre-approval track (142 lines under Resolution 66.17) and (ii) a post-inspection track for sectors removed from the list, governed by specialized standards — for instance:

- accounting services (current Vietnamese accounting standards and regimes);
- tax-exempt goods trading (standards to be issued by the MOF);
- foreign-linked training and education (accountability, post-inspection, disclosure, quality assurance);
- waterway transport (post- and specialized inspections); and
- sea transport (post- and specialized inspections).

WHAT TO DO

Practical implication

Box 1 · COMPLIANCE CHECKLIST FOR FOREIGN-INVESTED ENTERPRISES

ACTION ITEM	STRATEGIC IMPACT
Re-classify conditional business lines	Conduct a line-by-line review of current and planned business scopes against Appendix IV and Resolution 66.17 (effective 1 July 2026 to 28 February 2027) to confirm whether prior licenses or post-standards obligations apply.
Manage the “ERC-first” timeline	For greenfield projects using the new sequence, implement a strict internal deadline tracker and secure the IRC within the 12-month statutory window post-incorporation.
Leverage facilitative provisions	Use “green land” mechanisms for eligible projects in industrial or economic zones, potentially bypassing some traditional approvals.
Ensure digital compliance	Prepare for both online and paper-based submissions; all IRC-related applications must be executed by e-signature (token). Obtaining the ERC first secures a domestic digital signature.

Box 2 · BEST PRACTICES**BEST PRACTICES**

- Map your current investment structure against the new negative conditional-business-lines list within 60 days of publication — some previously conditional sectors are now open.
- For a greenfield FDI project, assess whether the ERC-first route saves time versus the traditional IRC-first and/or M&A route; both remain available but carry different risk profiles.

Box 3 · WATCH OUT**WATCH OUT**

- The ERC-before-IRC scheme remains uncertain — weigh a full pros-and-cons assessment before proceeding.
- Post-inspection looks progressive, but enforcement capacity varies by province — expect inconsistent interpretation.
- The effective window for the 142 conditional business lines is short (eight months) and may be amended.



District 1, Ho Chi Minh City — photo: Peter Nguyen / Unsplash

IN CLOSING

Closing

The Investment Law 2025 provides an innovative roadmap for market entry while removing several historical bottlenecks in prioritized zones. Despite these gains, the compliance burden has become more continuous — requiring investors to remain alert throughout their operational lifecycle.

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For tailored advice on structuring your market entry under the Investment Law 2025, please contact the Blueberry Law Corporate & Investment team.