VIETNAM – NEWS AND REGULATIONS

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Dr. Oliver Massmann

International Attorney at Law  
Certified Financial Accountant and Auditor

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# TOP NEWS

## VIETNAM – “NGUOI QUAN SAT” MAGAZINE INTERVIEWED DR OLIVER MASSMANN - THE FIRST FOREIGNER TO SPEAK BEFORE THE NATIONAL ASSEMBLY OFFERS ADVICE FOR VIETNAM ON ITS REFORM JOURNEY

**The first ever non-Vietnamese speaker to address the National Assembly shares guidance for Vietnam’s reform path**

With more than 25 years of experience in Vietnam, Dr. Oliver Massman has not only played a key role in advancing major trade agreements like the EVFTA but also delivered insightful analysis on legal reform, the investment climate, and Vietnam’s integration strategy amid a turbulent global economy.

On a day in June 2016, in the National Assembly Hall in Hanoi, Dr. Oliver Massmann, Partner at Duane Morris Vietnam, stood at the podium, ready for a remarkable moment. He was the first foreigner ever invited to speak before the National Assembly, and even more notably, his speech was delivered entirely in Vietnamese.

Behind this significant occasion lies a long journey of integration, not only in language but also in legal perspectives, with a profound understanding of Vietnamese institutions, culture, and people.

The focus of his speech - the impact of the Trans-Pacific Partnership Agreement (TPP) on Vietnam’s economy - demanded not only expertise but also finesse in communication, dialogue, and persuasion.

For Dr. Massmann, this was not merely a personal honor but a testament to the belief that the connection between Vietnam and the global community can begin with mutual respect and be forged through genuine understanding, beyond mere formalities.

**Dr. Oliver Massmann** is one of the most prominent international legal experts in Vietnam, with over 25 years of experience as a foreign lawyer.

He holds a PhD in International Business Law, is a member of the Berlin Bar Association, holds a Judge’s degree in Germany, and is licensed to practice in Vietnam.

He served as the Chief Advisor to the European Commission during the implementation of the Vietnam - EU Free Trade Agreement (EVFTA). He is also an international arbitrator and an expert in cross-border finance and investment.

1. *Unforgettable Moment And Tear At The National Assembly Hall*

**What brought you to Vietnam? What inspired you to remain in this S-shaped land for so long? After over three decades, how does Vietnam today differ from your initial impression when you first arrived in 1991?**

I have a Vietnamese adopted brother named Khoa, who has been living with me in Germany for nearly a decade. During that period, Khoa repeatedly invited me to visit his homeland, Vietnam, but truthfully, I was never intrigued.

Everything shifted when we attended a Vietnamese New Year reunion in Germany. For the first time, I saw Vietnamese women wearing traditional Ao Dai. That moment left a lasting impression on my mind, and at that instant, I knew I had to visit Vietnam.

Indeed, the initial allure came from the gorgeous Vietnamese women. But it was the mindset and the people here that kept me here for so long. The Vietnamese have a quality I particularly admire: They live practically yet with genuine sincerity.

When I first arrived in Vietnam, I felt like a “giant” in the midst of the city. Hailing a taxi was nearly impossible, high-rise buildings were absent, and the infrastructure was quite basic. But what stood out most vividly was a society actively developing, with resilient, diligent people who never ceased their efforts.

“Over three decades have passed, and it feels as though I am living in an entirely different country. Vietnam now boasts skyscrapers, luxury cars cruising along the boulevards, and big corporations achieving regional prominence. As for me – now I am merely a “bald” German, living humbly in the heart of a modern, vibrant, and promising Vietnam.” – Dr. Oliver Massmann

**Your address in Vietnamese before the National Assembly and your instruction on European law at the Ministry of Justice demonstrate your profound integration into the Vietnamese legal landscape. Can you share about this memory? Was mastering Vietnamese a challenge for you?**

I have countless memorable moments from participating in official events, but one stands out as unforgettable: the moment I received a round of applause in the National Assembly Hall after delivering my speech entirely in Vietnamese.

Many people approached me afterward, offering positive feedback. It was an incredibly special moment, and though I am not easily emotional, I was truly overwhelmed. I shed tears right then.

I have studied numerous languages in my life, and as a German - a language already notorious for its complexity among European tongues - I must confess: Vietnamese is the most challenging language I have ever tackled.

“Vietnamese is completely distinct from other language system that I have ever encountered, and mastering it mastering it for me is like… hitting the jackpot” – Dr. Oliver Massman

For the first time in my life, I needed to hire someone to assist me in learning a language. It was a challenging yet motivating journey. And I treasure every moment of it, as each moment was a memorable experience.

1. *"The Golden Key” To Elevating Vietnam’s Role In The Global Value Chain*

**In your view, what are the strengths and weaknesses of Vietnam's legal framework compared to the European Union (EU) or the US in the fields of investment and trade? Can you provide specific examples to support your observations?**

In my view, Vietnam truly excels in its efforts toward international integration. Over recent years, Vietnam has made remarkable strides in aligning its trade legal framework with global standards.

A notable example is the tariff reduction policy: Vietnam has introduced a clear, binding, and transparent tariff reduction roadmap - something not all Bilateral agreements achieve.

Specifically, under the Vietnam - EU Free Trade Agreement (EVFTA), over 99% of tariffs on goods from the European Union will be eliminated within a decade, providing a solid foundation for European companies to develop long-term investment strategies in Vietnam.

However, when compared to well-established legal systems like those of the European Union or the United States, Vietnam’s legal framework still has shortcomings.

In my opinion, certain laws in Vietnam are drafted with overly vague language, or the judicial system lacks the necessary independence.

I believe that if Vietnam aims to enhance its competitiveness in attracting high-quality FDI flows, particularly from developed economies like Europe and the United States, institutional reform must go beyond mere documentation. Vietnam needs to prioritize implementation, increase transparency, reform the judiciary, and standardize legal processes across the system.

**Vietnam has recently issued Resolution 68/NQ-TW to foster private economic development and expedite administrative reform. In your view, what tangible changes can this resolution bring to institutional reform?**

In my view, Resolution 68/NQ-CP, enacted by the Vietnamese Government in May 2024, reflects the Government's resolute commitment to bolstering the private economy sector, aiming to transform it into a "growth engine" for the economy.

“Resolution 68/NQ-CP could mark Vietnam’s most significant reform since Doi Moi, aiming to establish a genuinely market-oriented economic framework” – Dr. Oliver Massman

I hope that Resolution 68 will drive systemic changes, anchored by four key pillars.

The first is "Dismantling the entrenched 'asking-giving' mechanism". The Resolution upholds the principle that enterprises are entitled to operate in all sectors not prohibited by law. Any business restrictions or conditions must be transparently regulated, grounded in clear legal foundations, and serve the public interest.

The second is “Streamlining administrative procedures”: The goal is to reduce the time required for processing licenses, approvals, and the delivery of public services.

Next is “Advancing digital government services”: By 2026, I expect all administrative procedures related to business activities to be fully digitized via the National Public Service Portal, helping to minimize direct interactions and accelerate processing.

Finally, “Ensuring equal treatment for private enterprises”: Ministries, agencies, and state-owned enterprises are mandated to eliminate informal discrimination against the private sector, particularly in accessing land, credit, and other resources for development.

**From your experience as a Key Advisor in the implementation of the Vietnam – EU Free Trade Agreement (EVFTA) for the 2021–2023 period, what do you believe are the critical legal reforms Vietnam should prioritize in the near future?**

From my direct experience, I believe Vietnam should focus on three primary legal reform areas: public bidding, dispute resolution mechanisms, and customs – trade procedures.

First, to fully comply with Chapter 9 of the EVFTA on Government Procurement (MSCP), I suggest Vietnam revise and enhance the Law on Bidding, not only to boost transparency but, more crucially, to create meaningful opportunities for EU contractors to access the market - beyond mere formalities.

Second, the commercial arbitration system and law enforcement mechanisms require substantial improvements in efficiency and independence. This is a vital factor in building investor confidence within an increasingly competitive legal landscape.

Finally, despite the EVFTA’s significant tariff reduction benefits, Vietnam’s Law on Customs needs updates to incorporate more streamlined customs processes and fully adopt electronic certification—in alignment with the WTO Trade Facilitation Agreement (TFA) and expectations from the European Union.

**In your view, what advantages does Vietnam currently have to attract foreign investment?**

In terms of geographic position, Vietnam lies at the crossroads of regional trade routes, bordering China and Southeast Asian countries, with the advantage of accessing deep-water ports in the South China Sea.

Moreover, with an average age under 32 and labor costs significantly lower than those in China or Thailand, Vietnam boasts an abundant and highly trainable workforce.

Last but not least, I believe Vietnam’s stable political system consistently sends positive signals and offers attractive incentives for investors, such as tax exemptions and land use rights.

**Given the US’s increasing reciprocal tariffs, Vietnam is facing pressure from global trade dynamics. In your view, what strategy should Vietnam develop to mitigate negative impacts and sustain its role in the international supply chain?**

In my view, Vietnam must swiftly implement both defensive and proactive trade strategies to navigate fluctuations in the global trade environment.

First, Vietnam should maximize international integration to diversify its export markets. Vietnam can more effectively leverage the Vietnam - EU Free Trade Agreement (EVFTA), the Vietnam-UK Free Trade Agreement (UKVFTA), and the Regional Comprehensive Economic Partnership Agreement (RCEP).

In particular, the European Union, with its $18 trillion economy, represents a promising market for Vietnam’s agricultural and technological products.

In the long term, coordinated investment in strategic infrastructure - such as logistics, seaports, and railways - is a “critical” factor to ensure the supply chain remains resilient against geopolitical risks or international transport disruptions.

Finally, given the US’s explicit concerns about transshipment and violations of rules of origin, I recommend that Vietnam strengthen its traceability system in line with Circular 05/2018/TT-BCT, while enhancing customs inspection and supervision to avoid being labeled a “third transit” point in the global trade chain.

**EVFTA is considered a “golden door” helping Vietnam delve further into the EU market. In your view, how can this Agreement assist Vietnam in repositioning itself on the multipolar global trade map? And from your experience, how long does it usually take for such advantages to truly come into effect?**

I believe it is difficult to fully assess the strategic significance of the Vietnam – EU Free Trade Agreement (EVFTA) in Vietnam’s path of future development.

This is not merely a trade agreement aimed at tariff elimination, but also a framework promoting legal harmonization, sustainable development, intellectual property rights protection, public procurement, and investment protection.

EVFTA may be considered a “reference framework” guiding Vietnam’s global economic integration, particularly with high-standard markets such as the EU.

This Agreement has allowed Vietnam to be seen as a strategic production and export hub for European companies seeking alternatives to China, especially in fields like electronics, textiles, furniture, and green technology.

“If Vietnam focuses on fulfilling its commitments and efficiently executing the EVFTA provisions, it could achieve deep integration into the EU’s value chain within the next five years.” – Dr. Oliver Massmann.

Having accompanied and observed Vietnam’s development journey for over 30 years, Dr. Oliver Massmann is not only a witness but also a contributor to legal reform, economic integration, and international investment promotion in Vietnam.

It can be seen that from the EVFTA’s implementation to Vietnam’s negotiations with international corporations, Dr. Oliver Massmann’s involvement has helped demonstrate Vietnam’s solid foundation for advancing its position in the global value chain.

*\*\*\**

Please do not hesitate to contact Dr. Oliver Massmann under [omassmann@duanemorris.com](mailto:omassmann@duanemorris.com) if you have any questions on the above. Dr. Oliver Massmann is the General Director of Duane Morris Vietnam LLC.

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# BANKING & FINANCE

# Corporate bond market key to financing Vietnam’s $245 bln infrastructure plan: VIS Rating

*VET*

**Private investment has become one of key growth drivers.**

Vietnam’s corporate bond market is emerging as a crucial financing channel to support the country’s ambitious infrastructure development plans, which are estimated to require $245 billion between 2025 and 2030, according to a recent report by credit rating agency VIS Rating.

The report highlighted that while Vietnam’s public sector can fund approximately 70% of these infrastructure needs—including expressways, high-speed rail, and power projects—private capital will be essential to bridge the remaining gap.

As bank lending tightens—due to regulatory limits on using short-term deposits for long-term loans—the role of the bond market becomes even more critical. Bank credit to toll road projects, for instance, has declined by 6% annually since 2020.

In order to attract private investment, the Government has conducted many regulatory reforms,  paving the way for project companies to issue bonds more flexibly - such as through privately-placed bond issuances without historical financials under the amended PPP Law.

The state is also stepping in with higher equity contributions to ease debt burdens and improve credit quality.

A forthcoming decree is expected to further unlock the market by allowing public offerings and immediate listings of infrastructure bonds. While issuance conditions will be eased, post-issuance controls, such as trustee oversight, escrow accounts, and regulated disbursements, will tighten, creating a more robust legal framework.

Meanwhile, new requirements on disclosure, issuance standards, and mandatory credit ratings are boosting transparency and investor confidence.

According to VIS Rating, these combined reforms position corporate bonds as a viable and sustainable long-term funding tool to help Vietnam achieve its infrastructure ambitions.

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**Lending rates in banking sector lowered**

*VET*

**Lending rates continue to fall, down 0.7 percentage points since late 2024, easing access to credit and supporting economic growth.**

Domestic deposit interest rates at commercial banks have remained relatively stable since the beginning of the year, the national English-language newspaper Vietnam News quoted the State Bank of Vietnam as reporting.

Since early July, some commercial banks have moved to slightly lower their rates.

Bac A Bank reduced deposit rates by 0.1 percentage point across all terms and deposit types. VIB cut its 36-month counter rate by 0.1 percentage point for deposits ranging from VND1 billion  ($38,248) to below VND5 billion. Meanwhile, Bao Viet lowered its rates by between 0.15 and 0.2 percentage point per annum for terms of six to 13 months.

This follows similar adjustments by other financial institutions.

LPBank cut online deposit rates by 0.2 percentage point for terms ranging from 18 to 60 months, while the National Citizen Bank (NCB) reduced rates by 0.1 percentage points depending on the term, aiming to maintain competitiveness in capital mobilization. These changes are seen as part of a broader strategy to balance capital costs and create room for future lending rate reductions.

Of the Big 4, Agribank currently offers some of the most competitive online savings rates among the Big 4 banks, with 1–18 month terms ranging from 2.4 to 4.8% per annum. Its highest rate is 4.9% for a 24-month term, equal to BIDV but slightly below VietinBank’s 5%.

Vietcombank offers VND deposit rates from 0.20% for non-term deposits to up to 4.70% for 12–48 month terms, with similar rates for businesses. Preferential loans include home loans from 3.99% (valid until 31 March 2026) and salary-based loans from 6.0 to 7.5%.

Short-term business loans start at 4.6%, with green SME loans from 4.2%. Fixed rates for mortgages, car and consumer loans range from 5.5 to 5.7%, while longer-term packages under the “An tam lai suat” (Peace of Mind Interest Rate) program offer 6.2–9.5%.

Lending rates continue to fall, with the average new rate now at 6.23%, down 0.7 percentage points since late 2024, easing access to credit and supporting economic growth.

In practice, the approach of maintaining stable deposit rates while gradually lowering lending rates reflects the banking sector’s efforts to balance the interests of depositors and borrowers.

This dual approach supports capital mobilization while fostering a more favorable environment for economic activity, particularly for small- and medium-sized enterprises, which continue to seek affordable financing to sustain operations.

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# ECONOMY

## Vietnam takes steps to realize 8.3–8.5 percent growth target in 2025

*VNA/VLLF*

**A range of solutions will continue to be implemented to boost growth drivers such as investment, consumption and exports so as to achieve an ambitious GDP growth target of 8.3–8.5 percent this year.**

Vietnam is stepping up efforts to achieve an ambitious GDP growth target of 8.3–8.5 percent this year, despite global uncertainties and divergent economic forecasts.

Authorities are focusing on boosting traditional growth drivers such as investment, consumption, and exports while implementing a broad array of policy measures to maintain economic momentum.

Recent GDP projections for Vietnam in the second half of 2025 show a wide divergence. The Asian Development Bank (ADB) and the Standard Chartered have revised their forecasts downward to 6.3 percent and 6.1 percent, respectively, citing external risks, particularly from rising trade tensions and new US tariff policies scheduled to take effect on August 1.

In contrast, several financial institutions remain upbeat. The United Overseas Bank (UOB) raised its projection from 6 percent to 6.9 percent, CitiGroup revised its forecast from 6.6 percent to 7 percent, and Maybank increased its projection to 7.3 percent. Meanwhile, the BIDV Research Group anticipated the country's growth could reach 7.5–7.7 percent in a base scenario and as high as 7.8-8.1 percent under an optimistic scenario.

This disparity underscores continued uncertainties in the global economic environment and challenges facing Vietnam, especially as the US's new tariffs are expected to impact major export sectors like electronics, textiles, furniture, and aquatic products.

Despite these headwinds, the Ministry of Finance has proposed a bold economic growth scenario of 8.3–8.5 percent for 2025, which was approved by Prime Minister Pham Minh Chinh. This target is seen as achievable and essential to lay the groundwork for potential double-digit growth in the coming year.

**Traditional economic engines**

To support this effort, the government plans to leverage traditional economic engines. The Ministry of Finance estimates that total social investment in the second half of the year could reach USD 111 billion, with retail and service revenue growing by at least 13 percent, and total trade volume increasing by 17 percent or more.

PM Chinh has stressed that the growth target is “not impossible” and must be pursued decisively. Key policy directions include accelerating public investment disbursement, mobilizing social investment, stimulating domestic consumption, and negotiating trade agreements, particularly with the US, to ease export pressures.

The second half of the year offers a seasonal advantage, with heightened domestic and international demand expected during the year-end shopping period. The government is working to ensure these trends are translated into real economic gains.

Measures being rolled out include cracking down on smuggling and trade fraud, developing tourism products to attract foreign visitors, and ensuring timely compensation and policy implementation for public employees affected by administrative restructuring.

To stimulate domestic demand, fiscal policy is being loosened. The Ministry of Finance is implementing tax relief measures, including a 2 percent VAT cut and a proposal to increase personal income tax deductions. Additionally, financial support for civil servants is being expedited to enhance household consumption.

Albert Park, Chief Economist at ADB said that despite the increased risks from tariff uncertainties, domestic reforms, if implemented effectively and quickly, can mitigate these risks by strengthening domestic factors. This will also positively support Vietnam’s economic growth in 2025.

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**Vietnamese lychees attract international buyers, exports triple**

*VNS*

The main driving force behind this surge is the rising demand from various international markets for this signature Vietnamese summer fruit.

Việt Nam's lychee exports reached US$35 million in June, more than three times the same period last year.

The main driving force behind this surge is rising demand from various international markets for this signature Vietnamese summer fruit.

According to data from the Department of Customs, China remains the largest importer, with turnover reaching $27 million, a nearly four-fold increase compared to June 2023.

In addition to China, several demanding markets such as France, the US, Australia, Canada and the UK also recorded impressive growth rates ranging from twice to five times higher year-on-year.

In the first six months of the year, total lychee export value reached $45.4 million, up 92 per cent compared to the same period in 2023. Notably, all top 10 importing markets posted strong growth, from 10 per cent to over 2,000 per cent, demonstrating the growing appeal of Vietnamese lychees on the global stage.

Export companies noted that this year's lychees boast high quality, attractive appearance and competitive pricing, enhancing their marketability.

Notably, the area cultivated under VietGAP and GlobalGAP standards has increased significantly, meeting strict import requirements from markets like Japan, the US and Europe.

Đặng Phúc Nguyên, general secretary of the Vietnam Fruit and Vegetables Association, said the quality of Vietnamese lychees had seen significant improvement thanks to the application of modern harvesting and preservation technologies, which helped extend shelf life and maintain freshness.

Additionally, many enterprises have established closed-loop supply chains with farmers, covering planting, care, and harvesting, which improves productivity and product consistency.

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# INVESTMENT

**Adani Group eyes $10 billion strategic investment in Vietnam**

*VIR*

Adani Group, one of India's leading corporations, has committed to investing $10 billion in Vietnam, focusing on infrastructure, energy, and emerging technologies.

Party General Secretary To Lam met with Gautam Adani, chairman of India' Adani Group, on the afternoon of July 30.

During the meeting, the Party chief expressed satisfaction with the growing Vietnam-India Comprehensive Strategic Partnership. He said, “We need to strengthen cooperation across all areas, especially the economy, trade, and investment, to fully unlock the potential of both countries.”

He also highlighted Vietnam's ongoing efforts to implement strategic breakthroughs, with priority given to science and technology, innovation, digital transformation, and the development of the private sector.

“In this spirit, Vietnam welcomed and created favourable conditions for foreign investors, including Indian businesses, to expand their presence in Vietnam,” the Party leader noted.

In response, Gautam Adani said, “Adani has extensive experience in investing in and operating large-scale projects across ports, airports, transport, logistics, energy, and digital technology. Adani currently operates Mundra Port, India's largest seaport. The group is also India's leading energy provider.”

“ [Adani](https://vir.com.vn/search_enginer.html?p=search&q=Adani) would like to make a long-term strategic investment in Vietnam, with total capital planned of up to $10 billion across the group's core sectors,” the chairman said. “With the group's capabilities and experience in India and many countries worldwide, Adani is willing to contribute to Vietnam's development, particularly in key areas of interest such as infrastructure, energy, renewable energy, and emerging technologies, including AI. We hope for continued support from the Vietnamese government for the group's investment activities.”

Party General Secretary Lam acknowledged the proposals and encouraged Adani Group to proactively engage with relevant ministries, sectors, and localities to clarify cooperation directions and expedite the implementation of priority projects.

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**Vietnam tightens FDI approvals with inspection regulations on outdated technology**

*VIR*

From 2025, outdated technology is no longer be tolerated in investment projects, compelling foreign-invested enterprises in Vietnam to meet higher standards in environmental and technological compliance.

Foreign direct investment (FDI) inflows to Vietnam continued their upward trajectory in the first half of 2025, reaching $21.51 billion, a sharp increase of 32.6 per cent on-year. Notably, FDI disbursements surged to $11.72 billion, the highest six-month figure recorded between 2021 and 2025, reflecting sustained momentum in bringing renewed capital into action.

However, Vietnam is increasingly facing a critical dilemma: while capital inflows grow, much of the transferred technology remains outdated. Despite long-standing hopes that FDI would help modernise the domestic industry, only 5 per cent of foreign-invested enterprises (FIEs) in Vietnam currently employ high-tech solutions, according to Deputy Minister of Finance Do Thanh Trung, speaking at the Vietnam Connect Forum 2025. The remaining 95 per cent rely on medium-level or outdated technologies – posing serious challenges to the country's climate ambitions and its pledge to achieve net-zero emissions by 2050.

In a decisive move to tighten the standards for foreign investment, Prime Minister Pham Minh Chinh signed Decision No.29/2023/QD-TTg, which came into force on February 15, 2024. As a strategic complement to Decision No.18/2019/QD-TTg – which regulates the importation of used machinery and technological lines – this latest directive strengthens the government's commitment to sustainable economic growth.

Decision 29 was forced in response to the growing need for a well-defined mechanism to identify projects that employ obsolete, environmentally hazardous, or resource-intensive technologies. These projects are prohibited from making amendments or seeking extensions to their operational terms, in alignment with the provisions set forth under the Law on Investment 2020.

To proceed with licence extensions, investors must prove that their projects do not rely on outdated technologies. A valid inspection certificate for machinery and technological lines is a mandatory, legally binding document in this process. Valid for 12 months, it forms the legal basis for authorities to assess a project's technological integrity. Without it, applications for licence amendment or extension will be denied.

To ensure accurate assessments, the prime minister has regulated strict criteria for appointing qualified conformity assessment bodies. The Ministry of Science and Technology (MoST) is responsible for these appointments, and to date, only two organisations have been designated: Vinacontrol Group (Vinacontrol) and the Quality Assurance and Testing Center 3 (QUATEST 3).

Established in 1957, Vinacontrol is Vietnam's longest-operating conformity assessment body, formed as the Department of Import-Export Goods Inspection under the former Ministry of Commerce (now the Ministry of Industry and Trade). With a national network including 40 offices and accredited laboratories, the organisation possesses extensive operational coverage and the institutional capacity to conduct large-scale, multi-regional inspections. With extensive experience in major national and international projects, and deep expertise across industrial assessment, evaluation, and valuation of machinery, equipment, and technology lines, Vinacontrol has become the trusted name of choice.

In addition to its core inspection mandate, Vinacontrol offers regulatory and technical consulting to help investors meet compliance requirements, respond to authorities, and align documentation with legal and environmental standards. As regulations tighten on outdated or resource-heavy technologies, this support is vital for projects seeking licence extensions.

Alongside Vinacontrol, the MoST has also designated QUATEST 3 as a qualified organisation to perform inspection under the new regulatory framework. Operating under the Commission for Standards, Metrology and Quality, QUATEST 3 is a state-affiliated sci-tech institution that provides inspection, testing, calibration, and certification services in accordance with national standards and the regulatory mandates of various ministries.

Located in Ho Chi Minh City, QUATEST 3 offers valuable support to companies operating in southern Vietnam. In addition to its domestic functions, QUATEST 3 has sought for collaboration with other institutes both regionally and globally. As a state-affiliated organisation, the centre benefits from favourable financial support and policy backing, which has enabled the development of advanced testing capabilities across diverse technical domains.

Upon obtaining an inspection certificate, investors must supplement their technology determination dossier with two additional documents: (i) a request form for technology assessment and (ii) a detailed description of the current technology intended for use in the undertaking.

Following the submission of a completed application, the presiding authority shall, within three working days, engage environmental regulatory bodies and the relevant specialised management agency for coordination. These authorities are required to provide a written response within 15 working days, which may be extended to 20 working days for projects of significant scale or involving complex technologies. Upon receipt of all necessary evaluations, the presiding authority shall, within five working days, issue an official written determination regarding the technological evolution of the venture.

Taking into account the additional time required for the designated organisation to inspect machinery and technological lines used in a project, the entire assessment process may take up to two months or longer, depending on the complexity of the technology, the enterprise's readiness in preparing documentation, and the responsiveness of the appointed inspection entity, particularly in ensuring timely coordination across various localities.

While Decision 29 introduces stricter regulatory thresholds, it opens the door for foreign investors to stand out. Those who comply early will gain smoother access to licensing and position themselves as frontrunners in Vietnam's transition towards high-tech, sustainable manufacturing. In today's green-driven market, compliance is no longer a burden – it is a competitive advantage.

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# PROPERTY

**Toshin Development eyes Hanoi's high-end retail boom with strategic expansion**

*VIR*

Amid a shortage of high-end retail estate, Toshin Development – the real estate arm of Takashimaya Group – is drawing growing attention from investors and both local and international brands.

Toshin Development has invested in several prominent commercial real estate projects in Vietnam such as Saigon Centre, AB Tower, The Loop by Takashimaya Group (IPH), and most recently, Lancaster Luminaire.

The company has expanded its footprint in Ho Chi Minh City through strategic investments and joint ventures, focusing on premium retail spaces with a strong emphasis on customer experience.

Following its initial steps in Hanoi, the company is now accelerating its expansion with a new investment strategy to capture the rising demand for premium retail experiences.

Savills Vietnam’s latest report indicates that global investors are gradually returning to the retail sector following a period of stagnation.

While the global retail investment share is projected to reach 12.4 per cent in 2025, capital flows have shown clear signs of recovery, particularly since the second half of last year.

At the same time, according to the World Bank, Vietnam’s middle class is growing at an annual rate of 10-12 per cent and is expected to account for 26 per cent of the population by 2026, becoming a key driver of premium consumption.

Nevertheless, Hanoi’s [retail market](https://vir.com.vn/retailer-engagement-powers-fmcg-brand-growth-126431.html)is currently under significant pressure in terms of available space.

Occupancy rates at shopping centres have reached 86 per cent, while new supply remains limited and falls short of the stringent requirements set by international brands.

In the second quarter of 2025, Hanoi welcomed a wave of international brands, ranging from luxury to mid-range and mass-market, such as Dior Beauty, Prada Beauty, Beneunder, Oh Some!, and Mr DIY, among others.

This influx underscores the capital’s growing appeal and the real demand for high-quality retail space.

Savills also forecasts that Hanoi will add only around 10,600 square metres of high-quality rentable retail space over the next three years – a figure that falls significantly short of current market demand. This supply gap presents a substantial opportunity for international developers with strong capabilities, distinctive models, and proven operational experience, such as Toshin Development.

Although no official announcement has been made, market sources hint that Toshin Development is preparing to launch a major retail undertaking in Starlake, Tay Ho Tay.

Experts have identified Starlake – an emerging urban township in Tay Ho Tay – as a rising retail hub, thanks to its strategic location, well-developed infrastructure, international residential community, and premium service ecosystem.

"Starlake is gradually taking shape as a strategic destination for international brands. Many retailers are proactively seeking space in this area, especially as the market increasingly favours integrated models with clear positioning and professional operations," said Matthew Powell, director of Savills Hanoi.

The venture is expected to carry forward Takashimaya’s development philosophy, offering premium spaces, attentive services, and customer-focused design, while incorporating new elements that align with evolving market preferences such as high-end relaxation areas aimed at enhancing the overall customer experience.

Today’s premium retail developments increasingly aim for sustainable standards, incorporating refined architecture, integrated amenities, and operations aligned with international benchmarks.

Should the Toshin Development project go ahead, it would be expected to follow green design principles such as LEED certification, with emphasis on material selection, natural lighting, and service ecosystem consistency.

These factors would meet modern consumer expectations but also set the development apart from the rest of Hanoi’s competitive retail landscape.

Real estate experts believe the venture would play a pivotal role in redefining the high-end retail market in Hanoi. International brands familiar with Takashimaya’s rigorous standards in global markets would likely see the project as a prime location for flagship stores in the capital.

Toshin Development’s move would signal a new direction for Hanoi’s retail landscape, but also reaffirm the long-term confidence of international investors in Vietnam’s potential.

The upcoming groundbreaking ceremony in early August is expected to mark a new chapter for Hanoi’s premium retail market in the 2025–2030 period.

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# Outlines offered to ensure full social housing mortgage loans

*VIR*

The Ministry of Construction has proposed a number of adjustments to social housing loan policies, including lower interest rates and longer loan tenures, following a joint proposal submitted by Vingroup and Techcombank.

The proposal outlines a new credit package for social housing buyers with more favourable terms than the current VND120 trillion ($4.7 billion) incentive programme administered by four state-owned commercial banks.

One of the most notable elements in the proposal is the recommendation that commercial banks offer interest rates to social housing buyers equivalent to those applied by the Vietnam Bank for Social Policies.

These rates currently stand at about 4.8 per cent per annum, fixed for the first five years. In addition, the loan term could be extended up to 30 years, with the purchased home serving as collateral.

The two banks also propose that all individuals who meet eligibility criteria for social housing, as verified and confirmed by project developers, be allowed to access the loans. Most significantly, the loan could cover up to 100 per cent of the value of the social housing purchase contract.

To facilitate this initiative, Techcombank has also proposed that the State Bank of Vietnam (SBV) consider granting additional credit growth quotas beyond standard limits. This would enable credit institutions to expand lending while generating income to offset the cost of providing concessional interest rates to homebuyers.

Speaking to VIR, Nguyen Luu, a private broker in Ho Chi Minh City, said that despite its preferential nature, the interest rate under the existing package remains relatively high, discouraging both developers and buyers.

“Of particular concern is the floating rate mechanism after the initial five-year period, which raises fears among buyers, especially given that past rates have surged as high as 14–15 per cent per annum,” Luu said.

The newly proposed package, with its lower interest rate, longer loan tenure, and potential for full-value loans, is seen as a much better fit for the needs of social housing buyers.

According to the Ministry of Construction, the existing package offers loans to homebuyers at 7.5 per cent per annum, and to social housing developers at 8 per cent per annum. These preferential rates apply for five years, and the SBV adjusts the rates every six months based on the average lending rate of the four participating state-owned banks.

At a mid-year meeting in 2024, Deputy Governor of the SBV Dao Minh Tu announced that the package would be revised to better support homebuyers. Specifically, the loan interest rate will be at least 3 percentage points lower than the average long-term commercial lending rate of the big four banks (currently only 1.5–2 points lower), and the adjustment frequency for the interest rate will shift from every six months to every three months.

After the initial five-year period, borrowers will still enjoy preferential rates, at least 1–2 percentage points below commercial lending rates, rather than being fully subjected to floating rates as is currently the case.

Eligible borrowers under the $4.7 billion package include legal entities and individuals investing in or purchasing units in social housing projects, worker housing, or redevelopment projects for old apartment buildings listed by the Ministry of Construction.

The SBV has also encouraged banks and major economic groups to take a more active role in promoting social housing and facilitating access to home loans for low-income earners.

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**OIL&GAS&**[**ENERGY**](http://tuoitrenews.vn/society)**&MINING**

**Self-sufficient solar policy thrashed out**

*VIR*

The government is expected to enact a new policy to encourage self-sufficient energy consumption and ease pressure on the national grid.

The Ministry of Industry and Trade (MoIT) is seeking public feedback on a draft decision to support households in installing rooftop solar power systems for self-generation and consumption.

According to the draft, eligible households will receive investment subsidies of up to VND500,000 ($20) per kWp of installed photovoltaic capacity, capped at VND2.5 million ($100) per household. In addition, soft loan interest subsidies will be provided for those seeking commercial financing for rooftop solar installation and battery storage systems.

The draft proposes a maximum interest support period of three years, based on short-term lending rates regulated under Circular No.39/2016/TT-NHNN from the State Bank of Vietnam. Households can borrow up to VND7 million ($290) per kWp of PV capacity, with a ceiling of VND35 million ($1,400) in total supported loans.

The support will be allocated from provincial development investment budgets, with local People’s Committees responsible for submitting annual proposals to their respective People’s Councils based on budget availability and local demand for residential solar development.

Besides financial assistance, the draft also mandates technical support during the investment, installation, and operation phases. Upon request, local power companies must provide households with technical guidance such as requirements for connection, control, monitoring, and protection within five working days.

In cases where households wish to sell excess electricity back to the grid, local utilities are responsible for assisting with the installation or replacement of bidirectional meters and guiding homeowners through the procedures for signing power purchase agreements. Moreover, commune-level People’s Committees will advise on construction design, structural safety, and fire prevention measures tailored to the specific housing conditions of each locality.

To qualify for financial support, households must submit a formal request to their local authorities and ensure the system is fully installed, tested, and operational in accordance with Decree No.58/2025/ND-CP issued in March. Those applying for interest subsidies must also meet requirements under Vietnamese credit and lending regulations.

The proposal has drawn mixed reactions from experts and solar developers, who believe the financial package remains modest. Dr. Tran Dinh Ba, senior economic analyst at the Vietnam Economic Science Association, drew attention to the broader macroeconomic implications. “As Vietnam accelerates its transition from fuel-powered to electric vehicles, the demand for electricity will surge. We need to engage households now at scale to install rooftop solar as a low-cost, decentralised solution to address the power challenge.”

He urged the government to go beyond limited subsidies and open the mechanism for household participation more meaningfully. “The proposal is a good start, but the government should go further by enabling households to both consume and sell electricity freely,” Ba added. “Instead of only offering small grants, let families export excess solar during the day and draw power at night, with a net accounting mechanism. That would be much more effective.”

However, Ba cautioned against encouraging widespread household investment in battery storage, citing cost and safety concerns. “Battery storage is expensive and poses safety risks if not regulated properly. Net-metering would remove the need for storage in many cases,” he said.

Nguyen Quoc Viet, director of Vinasol JSC said that, on average, a residential solar system typically ranges 6–10 kWp, requiring total investment of around $4,900-8,100.

“A maximum subsidy of $100 barely makes a dent,” Viet said. “Limiting interest rate support to $290 per kWp is insufficient, especially for households considering battery storage, which still carries high capital costs.”

The MoIT highlights key advantages of self-produced and self-consumed rooftop solar. First, it does not require additional land, and only connects to existing low-voltage distribution grids, thus avoiding the need for new 110kV or higher transmission infrastructure. Secondly, rooftop solar systems reduce household electricity bills by offsetting grid consumption, especially under Vietnam’s tiered residential pricing scheme. Operating and maintenance costs are low, while the average investment cost for rooftop solar has fallen by more than 10 per cent annually in recent years.

Most importantly, these systems align with Vietnam’s commitment to reach net-zero by 2050.

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**24 energy projects identified eligible for JETP support**

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**These projects require a funding estimated at over $7 billion.**

Vietnam and the International Partners Group (IPG) have identified 24 energy projects eligible for support under the Political Declaration on the Just Energy Transition Partnership (JETP), with a funding requirement estimated at more than $7 billion.

The update was announced during a recent coordination meeting in Hanoi involving Vietnam’s JETP Secretariat, the IPG, and other stakeholders.

To date, three major energy infrastructure projects in Vietnam have already secured funding through the IPG. These include a €67 million credit package to construct a 500kV power transmission line through Ho Chi Minh City and southern Dong Nai Province; a €480 million credit facility for the Bac Ai Pumped Storage Hydropower Project in southern Khanh Hoa Province; and a €65 million loan for upgrades to the Tri An Hydropower Plant in the southern province of Dong Nai.

Going forward, the IPG will continue working with relevant Vietnamese agencies to review and select additional projects eligible under the JETP framework, with particular attention to those listed in the National Power Development Plan VIII for the 2021–2030 period.

On the sidelines of the 28th United Nations Climate Change Conference (COP28), Vietnam and the IPG formally announced the country’s Resource Mobilization Plan to implement the JETP.

The JETP is a key mechanism to help Vietnam access international resources for a just and effective energy transition toward a low-carbon, climate-resilient development pathway. It also aims to generate new economic opportunities and accelerate the country's progress toward its net-zero emissions target.

The IPG comprises the European Union, the United Kingdom, the United States, Japan, Germany, France, Italy, Canada, Denmark, and Norway.

The JETP Political Declaration was adopted in December 2022 during a summit in Brussels marking the 45th anniversary of ASEAN–EU relations.

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**LEGAL**

## Notable policies taking effect in August 2025

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**Several important legal documents are set to take effect this August, covering state capital management, infrastructure investment, carbon market development, management of capital and assets of credit institutions, consular legalization, health insurance, and customs and tax procedures.**

The Law on Management and Investment of State Capital in Enterprises; a revised roadmap for developing the domestic carbon market; new regulations on capital and asset management at credit institutions; updated regulations on consular certification and legalization; methods for online tax payment for imports and exports; resolutions on investment in key transportation projects; a decree detailing and guiding the implementation of several provisions of the amended Law on Health Insurance; and new customs priority regimes for enterprises are among the notable policies set to take effect in August 2025.

**New Law on the Management and Investment of State Capital at Enterprises – effective as of August 1**

The new Law on the Management and Investment of State Capital at Enterprises, passed by theNational Assembly on June 14, 2025, replaces the 2014 Law of the same name and introduces several transitional requirements.

Notably, it mandates that enterprises in which the State holds more than 50 percent of charter capital must review and revise their charters, financial regulations, and internal rules to ensure compliance with the new legal framework. These revisions must be completed by December 31, 2026. During the transitional period, current regulations may remain in effect as long as they are not contrary to the new law.

The law also allows for the continued implementation of investment projects, capital mobilization plans, and restructuring schemes approved prior to its entry into force. Agreements with strategic shareholders and loan contracts signed beforehand may remain valid until their expiration, although any amendments must conform to the new provisions. In addition, representatives of the state capital at wholly state-owned enterprises are required to re-determine the charter capital of these enterprises within one year.

**Revised roadmap for domestic carbon market development – to be implemented from August 1**

Issued by the Government on June 9, 2025, to amend Decree 06 of 2022, Decree 119/2025/ND-CP introduces a revised roadmap for building Vietnam’s domestic carbon market.

From now until the end of 2028, efforts will focus on establishing a national carbon registry, piloting a domestic carbon exchange, and launching mechanisms for carbon credit trading and offsetting. At the same time, the Government will conduct capacity-building and awareness-raising activities to support market development.

From 2029 onward, a greenhouse gas emissions quota auction mechanism will be introduced, alongside a comprehensive legal framework governing the management of carbon credits and the operation of the domestic carbon market. These efforts are intended to lay the foundation for Vietnam’s participation in the global carbon market.

**New regulations on capital and asset management at credit institutions – entering into effect on August 1**

Decree 135/2025/ND-CP dated June 12, 2025, provides a unified framework for the financial regime of credit institutions and branches of foreign banks, and introduces regulations on financial supervision and assessment of state capital investment efficiency at state-invested credit institutions. It replaces Decree 93/2017/ND-CP.

The Decree introduces detailed provisions on capital structure, asset utilization, profit distribution, investment in fixed assets, share transactions, and capital adequacy. Credit institutions and foreign bank branches are permitted to restructure capital, invest in operational assets, and transfer assets in accordance with the law. For state-owned or state-invested credit institutions, capital use and investment must comply with the law on state capital management in enterprises.

Credit institutions are also required to maintain capital adequacy ratios, participate in deposit insurance schemes, make risk provisions, and comply fully with financial and accounting regulations.

**Certain documents exempt from consular legalization – in force from August 3**

Promulgated on July 4, 2025, Decree 196/2025/ND-CP amends Decree 111/2011/ND-CP on consular certification and legalization, and introduces exemptions for several categories of documents. These include:

·        Documents exempt under treaties to which both Vietnam and the relevant foreign country are parties, or under the principle of reciprocity;

·        Documents exchanged directly or via diplomatic channels between competent Vietnamese and foreign authorities;

·        Documents exempt under Vietnam’s law; and

·        Foreign documents for which Vietnamese authorities waive legalization based on their ability to independently verify authenticity.

**Online tax payment for imports and exports – in force from August 7**

Circular 51/2025/TT-BTC, issued by the Ministry of Finance on June 24, 2025, introduces electronic tax payment procedures for imports, exports, transit goods, and cross-border vehicles. Taxpayers may make payments through the following methods:

·        Via the Customs Electronic Payment Portal;

·        Through banks or intermediary payment service providers that have signed coordination agreements with customs authorities;

·        Through banks that have signed coordination agreements with customs authorities and are concurrently authorized to collect taxes on behalf of the State Treasury;

·        Through banks or intermediary payment service providers that have not yet signed coordination agreements with customs authorities.

**Three resolutions on key transportation projects – coming into force on August 11**

On June 27, 2025, the National Assembly has adopted three resolutions—No. 219, 220, and 221—approving and adjusting investment policies for major transport infrastructure projects.

Resolution 219/2025/QH15 approves the Quy Nhon–Pleiku Expressway project, which will span approximately 125 km and be implemented through three component projects. The total investment capital is estimated at VND 43.734 trillion, sourced from 2024 budget savings and increased revenues, as well as central and local budgets for the 2021–30 period. The project is expected to be completed in 2029.

Resolution 220/2025/QH15 approves the investment policy for the Ho Chi Minh City Ring Road 4 construction project, totaling approximately 159.31 km in length across 10 component projects. The estimated investment is VND 120.413 trillion, including VND 29.688 trillion from the central budget, VND 40.093 trillion from local budgets, and VND 50.632 trillion mobilized from private investors. Construction is set to begin in 2025 and conclude in 2029.

Resolution 221/2025/QH15 adjusts the investment policy for Phase 1 of the Bien Hoa–Vung Tau Expressway project, revising the total investment to VND 21.551 trillion—VND 17.124 trillion for 2021–25 and VND 4.427 trillion for 2026–30. The adjustment is aimed at ensuring project progress in line with Resolution 59/2022/QH15.

**Guidance for implementing the amended Law on Health Insurance – coming into effect on August 15**

Issued on July 1, 2025, Decree 188/2025/ND-CP provides detailed implementation guidance for the amended Law on Health Insurance, specifying contracts for insured medical examination and treatment, procedures for insured medical services, and payment methods.

The decree provides guidance on the allocation and use of the Health Insurance Fund and outlines measures for dealing with violations such as late or evasive premium payments. It also provides detailed guidance on health insurance participants, contribution rates, premium subsidies, and the issuance of paper and electronic insurance cards. It also regulates benefit entitlements, including cases involving on-demand services, and addresses the financial structure and premium support mechanisms.

The decree further addresses payment mechanisms for chemical drugs, biologics, radiopharmaceuticals, and tracers covered by insurance, while promoting the application of information technology and digital transformation in health insurance administration.

**New priority customs procedures for enterprises – valid from August 15**

Under Decree 167/2025/ND-CP dated June 30, 2025, enterprises are exempt from post-clearance audits unless there are signs of legal violations. They will also benefit from other preferential regimes under Article 43 of the Law on Customs, including priority handling of goods and streamlined customs supervision by relevant authorities.

For goods requiring specialized inspection, enterprises may store them at their own warehouses pending results—unless the law requires inspection at the border gate, in which case they will receive priority processing.

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## Incentives, support policies for allied industries’ development

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**Organizations and individuals engaged in technology research, application, transfer, innovation and improvement for the manufacturing of supporting industry products will be entitled to incentives and support for technology transfer from September 1.**

According to Decree 205/2025/ND-CP dated July 14, 2025, amending and supplementing a number of articles of Decree 111 of 2015, on development of supporting industries, above organizations and individuals will also receive incentives and support from the National Technology Innovation Foundation, the National Foundation for Science and Technology Development and the National Program on High Technology Development.

The new decree sets the maximum support level for cooperative projects on technology research, application and transfer between businesses and science and technology organizations at 50 percent of their total investment in machinery and equipment, sample products, engineering, software, training, hiring of expert consultants, inventions, and transfer of intellectual property and industrial property rights. It also specifies that the maximum support level will be 70 percent of expenses for activities to improve the quality of consultancy experts and units in the field of technology application and transfer.

Regarding environmental protection, the decree says that owners of projects manufacturing products of supporting industries prioritized for development will receive supports provided by the law on environmental protection. These projects will also enjoy tax incentives provided by tax laws and guiding texts along with land and water surface rental exemption or reduction.

Manufacturers supporting industry products on the list of products of supporting industries prioritized for investment provided in Appendix I to this Decree will be entitled for legal support provided in the Law on Support for Small and Medium-sized Enterprises.

In addition, they will receive support provided under the supporting industry development program of up to 50 percent of expenses for product quality testing, inspection and certification consultancy, establishment and announcement of corporate standards, and quality management system certification; product quality testing, inspection, and certification provided by product quality testing, inspection and certification systems of state management agencies; renting testing, inspection and certification laboratories; brand identification, copyright and industrial property registration, and barcode application; and testing and inspection of new and innovative goods and products.

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