

May 22, 2026

## NOTABLE LEGISLATIVE UPDATES IN VIETNAM IN APRIL 2026

April 2026 brought notable regulatory developments in investment, environment, carbon credits, greenhouse gas emissions, and power.

### I. NEW REGULATIONS ON INVESTMENT

On 31 March 2026, the Government issued Decree No. 96/2026/ND-CP ("**Decree 96**") on detailing the implementation of Law on Investment No. 143/2025/QH15 ("**Investment Law 2025**"). Decree 96 took effect on the same date, except for Article 11 (Conditional business lines and business investment conditions) and Article 12 (Review, consolidation, and announcement of investment conditions), which are scheduled to take effect on 1 July 2026. Decree 96 supersedes Decree No. 31/2021/ND-CP, Decree No. 19/2025/ND-CP, and Decree No. 239/2025/ND-CP which guided the previous Law on Investment 2020. Key takeaways are as follows:

#### A. Investment Registration and Approval Framework

Foreign investors may now establish an enterprise before obtaining an Investment Registration Certificate ("**IRC**"), subject to compliance with the applicable market-access conditions under Article 8 of the Investment Law 2025. The IRC must be obtained within 12 months from the date of establishment, during which the enterprise may not implement the investment project or expand investment-related business lines.<sup>1</sup>

Under the Investment Law 2025, certain projects located in designated zones, including industrial zones, hi-tech zones, economic zones, digital technology zones and free trade zones, may benefit from a streamlined approval regime, allowing eligible investors to obtain an IRC within 15 working days without obtaining certain pre- and post-licensing appraisals, permits and approvals, such as in-principle investment policy approval, construction permit, environmental impact assessment, technology appraisal, and firefighting and prevention approvals.<sup>2</sup> Decree 96 implements this mechanism by permitting a simplified filing based on investor commitments in place of detailed technical documentation, coupled with expedited IRC issuance and subsequent post-licensing supervision (i.e., submission of commencement notice to competent local construction authority and the relevant management board, together with the economic-technical report and the appraisal report covering construction safety, environmental protection, fire prevention and fighting, and compliance with applicable technical standards and regulations before commencing construction).<sup>3</sup>

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<sup>1</sup> Articles 72.1, 72.3, and 72.4 of Decree 96.

<sup>2</sup> Article 28 of Investment Law 2025.

<sup>3</sup> Articles 46, 47, 48 and 49 of Decree 96.

## B. Investor Safeguard and Risk Mitigation

Decree 96 restricts the grounds for forfeiture of investment guarantee deposits, permitting forfeiture only where a competent state authority terminates a project in accordance with the Investment Law 2025. It further clarifies that delays caused by inspections or audits conducted by state authorities will not be counted against the project implementation schedule.<sup>4</sup> Collectively, these changes help reduce regulatory and execution risks for investors, especially in situations outside their control.

## C. Updated Market-Access Restrictions

Decree 96 gives effect to Article 8 of the Investment Law 2025 by formalizing a unified negative list in Appendix I, which structures foreign investment restrictions into 2 tiers.

Section A comprises 23 sectors closed to foreign investment, largely maintaining the previous scope, including sensitive areas such as press and news activities, fisheries exploitation, security and investigation services, notarization, judicial and bailiff services, state monopoly trading activities, and domestic waste collection.

Section B sets out 62 sectors where foreign investment remains permissible but subject to conditions, covering key regulated industries such as telecommunications, banking, insurance, securities, aviation, maritime, energy, real estate, and education. Decree 96 also expands this list to include new business lines, notably construction activities of foreign contractors and various forms of e-commerce platform operations, while reclassifying certain defense-related sectors from fully restricted to conditional access.

## II. REFINEMENTS TO EXTENDED PRODUCER RESPONSIBILITY REGIME

On 1 April 2026, the Government issued Decree No. 110/2026/ND-CP ("**Decree 110**"), which sets out key implementation details for the Extended Producer Responsibility ("**EPR**") requirements under the Law on Environmental Protection 2020. Decree 110, which is scheduled to become effective on 25 May 2026, specifies the recycling and waste treatment obligations applicable to the products / packaging manufacturers and importers.

Decree 110 clarifies EPR responsibilities in complex business structures: (i) for same-brand products manufactured by different producers, the entity responsible for product labeling bears the recycling obligations; (ii) for contract manufacturing, the "ordering party" (not the contract manufacturer) is responsible; (iii) for entrusted imports, the entity responsible for product labelling bears the obligation; and (iv) parent companies or companies with independently-accounted branch office may now be authorized to fulfill obligations on behalf of relevant subsidiaries or branches.<sup>5</sup>

From 1 January 2027, road motor vehicle manufacturers and importers will be subject to the recycling mandate.<sup>6</sup>

<sup>4</sup> Article 28.2 of Decree 96.

<sup>5</sup> Articles 4.1(a), 4.1(b), 4.1(c) and 4.1(d) of Decree 110.

<sup>6</sup> Article 4.4 of Decree 110.

### III. UNLOCKING GLOBAL CARBON MARKETS OF VIETNAM

The Government has issued Decree No. 112/2026/ND-CP ("**Decree 112**"), effective on 19 May 2026, establishing the first comprehensive legal framework for the international exchange of greenhouse gas ("**GHG**") emission reduction outcomes and carbon credits.

A key concept under Decree 112 is "corresponding adjustment" which applies where emission reductions generated in Vietnam are transferred internationally for use by another country or foreign party toward climate commitments under the Paris Agreement. In such cases, Vietnam must remove the transferred reductions from its own national emissions accounting and "add back" an equivalent volume of emissions in its national inventory to avoid double counting.<sup>7</sup>

Decree 112 requires international transactions involving corresponding adjustments to obtain prior approval from the Ministry of Agriculture and Environment, with all transfers recorded in the National Registration System.<sup>8</sup> Transfer ratios of transfers involving corresponding adjustments are generally up to 90% for offshore wind, green hydrogen or tidal energy projects or 50% for LNG power, nearshore wind or biomass projects, ensuring that part of the carbon value is retained for domestic use and aligned with national climate policy.<sup>9</sup> Regarding transfers not involving corresponding adjustments (i.e., where Vietnam retains the right to count the emission reductions toward its own climate targets), a cap of 90% applies.<sup>10</sup>

### IV. TOUGHENED STANCE ON ELECTRICITY VIOLATIONS

On 6 April 2026, the Government issued Decree No. 133/2026/ND-CP ("**Decree 133**") setting out a revised framework for administrative sanctions in the electricity sector, which will become effective from 25 May 2026.

Decree 133 strengthens compliance requirements applicable to rooftop solar systems. Enterprises are required to notify competent authorities of any connection to the national grid. Failure to comply, even when electricity is not sold, may result in fines of up to VND 20 million for medium voltage installations, along with mandatory remedial measures to fulfill the notification obligation.<sup>11</sup>

Decree 133 introduces targeted sanctions for renewable energy projects. In particular, Decree 133 imposes specific obligations on large electricity consumers to invest in compliant metering and data management systems. Non-compliance may lead to administrative penalties ranging from VND 60 million to 80 million.<sup>12</sup> Further, failure to dismantle non-compliant rooftop solar or wind installations within the prescribed timeline may be subject to fines of up to VND 100 million, together with mandatory remedial measures.<sup>13</sup>

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<sup>7</sup> Articles 3.2, 3.3, 3.5, 3.14 and 3.19 of Decree 112.

<sup>8</sup> Articles 3.16 and 4.2 of Decree 112.

<sup>9</sup> Article 6.1 of Decree 112.

<sup>10</sup> Article 6.2 of Decree 112.

<sup>11</sup> Article 7.3 of Decree 133.

<sup>12</sup> Article 13.8(d) of Decree 133.

<sup>13</sup> Articles 7.4 and 7.5 of Decree 133.

In addition, Decree 133 strengthens consumer protection in electricity trading by introducing sanctions of up to VND 60 million for overcharging electricity prices beyond those stipulated by competent state authorities, coupled with obligations to refund improperly collected amounts to customers or remit them to the state budget when beneficiaries cannot be identified.<sup>14</sup>

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<sup>14</sup> Articles 12.4 and 12.7(b) of Decree 133.