

Unlocking Opportunities: The Impact of Decree
96/2026/ND-CP

Legal Update | June 2026

On 31 March 2026, the Government issued Decree No. 96/2026/ND-CP (**Decree 96**), which serves as the main guiding document for the Law on Investment 2025. This new Decree replaces Decree 31/2021/ND-CP (**Decree 31**), which previously guided the implementation of the Law on Investment 2020. Decree 96 came into force on 31 March 2026.

We highlight below the key changes introduced under Decree 96.

1. Special Investment Procedures and Performance-Based Investment Incentives

1.1. Special Investment Procedures for investment projects in special zones

Decree 96 has provided further guidance on special investment procedures indicated in the Law on Investment 2025 with respect to investment projects in industrial parks, export-processing zones, hi-tech zones, concentrated digital technology zones, free trade zones, international financial centres or functional sections in economic zones (except a project requiring investment policy approval as prescribed by the Government).

For these projects, if the investors opt to follow special investment procedures, they will not be required to follow the procedures for investment policy approval, technology appraisal, preparation of an environmental impact assessment (**EIA**) report (if applicable) or preparation of a detailed planning scheme, issuance of a construction permit, and other procedures for approval, acceptance, and permission in the fields of construction and fire prevention and fighting.

1.2. Performance-Based Investment Incentives

To complement the procedural speed, Decree 96 rewards actual capital injection. Incentives on corporate income tax, land or water surface use rental are now strictly tied to mandatory disbursement timelines for spearhead sectors.

- (i) For a Group 1 sector (Strategic Technology & R&D sector): the minimum registered capital is VND3,000 billion (equivalent to US\$228 million), with a mandatory actual disbursement of at least VND1,000 billion (equivalent to US\$76 million) within three (3) years.
- (ii) For a Group 2 sector (Semiconductor & Key Digital Technologies): the minimum registered capital is VND6,000 billion (equivalent to US\$456 million), with a mandatory actual disbursement of at least VND 6,000 billion (equivalent to US\$456 million) within five (5) years.
- (iii) For a Group 3 sector (Mega Projects): the minimum registered capital is VND30,000 billion (equivalent to US\$2.28 billion), with a mandatory actual disbursement of at least VND10,000 billion (equivalent to US\$760 million) within three (3) years.

Other criteria to consider when determining whether a project is entitled to incentives include, but are not limited to, location; total investment of at least VND6,000 billion (equivalent to US\$456 million) within three (3) years; revenue of at least VND10,000 billion (equivalent to US\$760 million) for three (3) years; social housing development; and application of high technology.

2. Breakthrough in Market Entry: Establishing a Local Presence First and the 12-Month Rule

Article 72 of Decree 96 introduces a fundamental shift by allowing foreign investors to establish an economic organisation (obtain an Enterprise Registration Certificate (**ERC**)) prior to securing an IRC. This allows for an immediate operational footprint, such as signing leases, opening bank accounts, and hiring key personnel while the project specifics are finalised.

- (i) **Mandatory Requirement:** The newly established legal entity must complete the IRC application for its primary investment project within twelve (12) months of the ERC issuance.
- (ii) **Non-Compliance:** Failure to secure the IRC within this statutory window results in the inability to commence business.

3. FDI Market Entry & Restricted Sector Update

3.1. FDI Market Entry & Restricted Sector Update

- (i) **Absolute FDI Prohibitions:** Foreign investors are strictly prohibited from investing in any business lines specified under Section A of Schedule I of Decree 96. These twenty-three (23) sectors include press activities, notary services, and judicial expertise, noting that these sectors remain unchanged in comparison with those under Decree 31.
- (ii) **Conditional Market Access:** For sectors listed under Section B of Schedule I of Decree 96 relating to sectors and industries with conditional market access for foreign investors (a) construction activities of foreign contractors and (b) management and operation of intermediary e-commerce platforms, e-commerce social networks, and integrated e-commerce platforms have been inserted in comparison with the list under Decree 31.

3.2. Potential Further Reduction of Conditional Business Sectors

In addition to the procedural reforms under Decree 96, on 15 May 2026, the Government issued Resolution No. 66.17/2026/NQ-CP regarding the reduction, amendment of conditional investment business lines (**Resolution 66.17**). Resolution 66.17 is aimed at further liberalising the investment environment. This move signals a strategic shift from administrative control to market-driven growth by significantly reducing the number of sectors requiring prior regulatory approval.

The Government's drive to streamline the investment environment is underpinned by three (3) core principles for the removal of conditional business lines:

- (i) **Removing unnecessary restrictions:** Eliminating sectors that no longer satisfy the strictly defined criteria for national defence, security, social order, safety, morality, or public health.
- (ii) **Transitioning to post-check management:** Removing sectors where physical requirements (such as warehouses and facilities), operational processes, or professional qualifications can be managed through technical standards and professional criteria, shifting oversight from "pre-check" to "post-check".
- (iii) **Ensuring clarity and quantifiability:** Removing and amending business lines with unclear or similar investment and business conditions, those already controlled through other management activities, or those for which no investment and business conditions have been issued since regulation, or whose investment and business conditions are no longer prescribed.

Accordingly, Resolution 66.17 introduces a new list of conditional business lines (**the New List**) which will replace the list of conditional business lines under Schedule IV of the Law on Investment 2025. The New List includes one hundred and forty-two (142) conditional business lines, which is fifty-six (56) fewer business lines than the list under Schedule IV of the Law on Investment

2025. Sectors such as re-insurance business, insurance brokerage, mineral business and gas trading are not included in the New List.

By removing these fifty-six (56) business lines, the Government eliminates the need for business licence for sectors like re-insurance and gas trading. Investors should note that while the general requirement for a business licence may be removed to lower the cost of compliance, businesses must still adhere to the National Technical Standards, which will be developed and issued by the relevant Ministries by 1 July 2026, and operational requirements mandated by specialised laws. The reform shifts the regulatory burden from upfront appraisal to ongoing post-check audits during the operational phase.

Resolution 66.17 sets out implementation timelines requiring all relevant ministries to study and issue National Technical Standards for the conditional business lines that are no longer included in the New List by 1 July 2026. For such conditional business lines, organisations and individuals may continue to use licences, certificates, credentials, written confirmations, or other forms of investment and business approvals issued by competent authorities until the expiry date of such documents.

Resolution 66.17 will take effect from 1 July 2026 until 28 February 2027, during which the relevant authorities will review the relevant legal documents to propose the amendments to reflect these changes. It further provides that if any Law, National Assembly Resolution, Ordinance, or Standing Committee of the National Assembly passes a resolution regulating similar areas, Resolution 66.17 will cease to have effect. Resolution 66.17 has been developed as an urgent and temporary instrument to immediately reduce administrative barriers while awaiting the amendment of specialised laws. The effective period of Resolution 66.17 can be seen as the pilot period for the Government to assess the effectiveness of the post-audit approach before the enactment of the relevant specialised laws.

Decree 96 is not merely a procedural update; it is a competitive repositioning of Vietnam within the global supply chain. By shifting the focus to post-check compliance and decentralising authority to the Department of Finance, the Government has provided the legal tools for a faster, more flexible investment cycle.

Authors



Duong Thi Mai Huong

Partner

huong.duong@frasersvn.com



Dang Dinh Duc

Associate

duc.dang@frasersvn.com

Ho Chi Minh City

19th Floor, Deutsches Haus
33 Le Duan Boulevard
Sai Gon Ward
Ho Chi Minh City, Vietnam
T: +84 28 3824 2733

Hanoi

15th Floor, Pacific Place
83B Ly Thuong Kiet Street
Cua Nam Ward
Hanoi, Vietnam
T: +84 24 3946 1203

Website www.frasersvn.com
Email legalenquiries@frasersvn.com

This material provides only a summary of the subject matter covered, without the assumption of a duty of care by Frasers Law Company. The summary is not intended to be nor should be relied on as a substitute for legal or other professional advice.

© Copyright in this article is owned by Frasers Law Company