

AMENDMENT TO THE DECREE GUIDING THE LAW ON INVESTMENT: SIMPLIFYING PROCEDURES, UNLOCKING RESOURCES FOR ECONOMIC DEVELOPMENT



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The 9th session of the 15th National Assembly is a historic one in the context of the Party and State's strong determination to implement groundbreaking political, economic, and social reforms. Within the framework of this session, the National Assembly is expected to pass the law amending and supplementing a number of articles of the Law on Bidding, the Law on Investment in the Form of Public-Private Partnership, the Law on Customs, the Law on Value-Added Tax, the Law on Export and Import Duties, the Law on Investment, the Law on Public Investment, and the Law on Management and Use of Public Property (the **Law amending eight laws**), which will take effect from July 1, 2025. To ensure simultaneous enforcement with the Law amending eight laws, the Ministry of Finance has been assigned to preside over the drafting of a decree amending and supplementing a number of articles of Decree 31/2021/NĐ-CP, which details and guides the implementation of the Law on Investment (the **Draft**), under fast-track order and procedures. The Draft aims to resolve difficulties and obstacles, unlock resources, create the most favorable conditions for enterprises, and enhance the effectiveness and efficiency of state management in investment and business activities. Some notable points of the Draft include:

Firstly, simplification and digitalization of the administrative procedures for investment. In the implementation of the Government's Resolution No. 66/NQ-CP dated March 26, 2025 on the Program for reduction and simplification of administrative procedures related to production and business activities in 2025 and 2026, the Draft has reduced and simplified unnecessary administrative procedures to

save time and costs for investors. Specifically, the Draft stipulates a reduction in the number of dossier sets for the approval or adjustment of investment policy from four (4) sets to one (1) and shortens the time for procedural implementation by 30% to expedite the resolution process. Furthermore, the Draft aims to ensure that 100% of enterprise-related procedures are performed online, in which investors are enabled to submit electronic dossiers authenticated by electronic signatures. These provisions not only reduce the burden of administrative paperwork but also enhance transparency and promote digitalization, fully aligning with the current national digital transformation agenda.

Secondly, expansion of investment incentives and encouragement for key sectors. In implementation of the Politburo's Resolution No. 57-NQ/TW dated December 22, 2024 on breakthroughs in the development of science, technology, innovation, and national digital transformation, and seizing opportunities from the robust development of science and technology, particularly in the electronics-semiconductor-microchip sector, the Draft has supplemented sectors and industries in the fields of science, technology, innovation, national digital transformation, and human resource development to the List of sectors and industries eligible for investment incentives and special investment incentives (Appendix II Decree 31/2021/NĐ-CP). Specific activities added include investment in building infrastructure for large data centers, cloud computing infrastructure, 5G and higher mobile infrastructure, and other digital infrastructure in strategic technology fields; investment in strategic technology sectors and production of

strategic technology products. This is expected to establish an outstanding and groundbreaking mechanism to unlock resources, encourage the development of key sectors, attract domestic and foreign investment, and create a strong impetus for the country's rapid and sustainable development, especially in the context of the global shift in technology supply chains.

In addition, to effectively implement the policy of arranging administrative units according to the two-tier model (provincial and communal levels), the Draft has adjusted the regulation on determining investment incentives at the district level. Accordingly, the principle of determining investment incentive areas based on communal-level administrative units shall be applied, which ensures that policies are implemented continuously and smoothly and the interests of investors are protected.

Thirdly, adjustment of the regulations on the duration and implementation schedule of projects. Currently, Decree 31/2021/NĐ-CP calculates the operation duration of a project from the date of the land allocation decision, but the calculation of the implementation schedule has yet to be addressed, which affects investors' capacity to implement projects in cases of delayed land handover. The Draft has resolved this issue by stipulating that the time for calculating the project schedule will commence from the date the investor is actually handed over the land on-site, rather than merely from the date of the decision on land allocation, land lease, or permission for change of land use purposes. This amendment is consistent with the provisions of clause 3, Article 44 Law on Investment 2020 and remedies the situation of "suspended" project progress due to delays in site handover by the State, ensuring the protection of investors' rights and better aligning with the practice of project implementation.

Fourthly, stipulation of a specific mechanism for inter-provincial investment projects. In line with the policy of arranging administrative units and organizing local government at two levels (provincial and communal level), to address issues arising from the rearrangement of the state apparatus and to ensure smooth operations from July 1, 2025, the Draft has established a separate procedure for investment projects that span two or more provinces. Under this procedure, the investors will submit the dossier to the province where the majority of the project land area is situated or where the main construction work is located. Thereafter, the provincial-level People's Committee of the locality where the investors submit the dossier will preside over the collection of opinions from related localities and decide on the investment policy for the entire project. This is a necessary supplementation, as Decree 31/2021/NĐ-CP does not contain any specific regulations for inter-provincial projects, thereby creating more favorable conditions for investors to implement such projects.

The Draft amending and supplementing Decree 31/2021/NĐ-CP is an important legal step forward, clearly demonstrating the Government's commitment to creating an increasingly transparent, favorable, and competitive investment and business environment. The new regulations aim not only to simplify administrative procedures but also to orient and encourage investment in high-tech and innovative sectors, creating an impetus for sustainable national development. In light of the high frequency with which new legal documents are currently being issued in a short time frame, enterprises need to proactively research and carefully study the provisions of the Draft so as to fully capitalize on the opportunities presented by the new investment incentives and simplified procedures. At the same time, enterprises should review their ongoing or planned investment projects to determine the applicability of new incentive policies, particularly in the fields of digital technology, semiconductors, and digital transformation. In addition, they must strictly comply with legal regulations on investment, environment, and land to minimize legal risks during inspection and examination by competent state agencies. Should you wish to gain a deeper understanding of the regulations and procedures on investment, kindly contact NHQuang&Associates for legal support and advice.

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