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THE LAW ON CONSTRUCTION 2025: SIMPLIFYING ADMINISTRATIVE PROCEDURES AND ENHANCING STATE MANAGEMENT OF CONSTRUCTION ACTIVITIES

After more than a decade of implementation, the Law on Construction 2014 and its amendments and supplements (**Law on Construction 2014**) have established a fundamental legal framework for the State management of construction activities. However, during its implementation, the Law on Construction 2014 has revealed certain shortcomings and inadequacies in practice. In order to address these shortcomings and meet new requirements regarding the simplification of administrative procedures and enhancement of construction management efficiency, the National Assembly promulgated the Law on Construction 2025 on December 10, 2025, replacing the Law on Construction 2014. In this Legal Newsletter by NHQuang&Associates, we shall analyze several new provisions of the Law on Construction 2025 that may affect individuals and organizations:

First, the Law on Construction 2025 supplements new provisions on force majeure events and fundamental changes in circumstances in construction activities. Accordingly, **force majeure events in construction activities** include 6 cases: (i) Natural disasters and environmental disasters; (ii) Fires and epidemics; (iii) States of emergency concerning national security, social order and safety, and states of emergency concerning national defence; (iv) Strikes, work stoppages, embargoes, and blockades; (v) Activities relating to the discovery of antiquities and archaeological remains and (vi) Other cases as prescribed by relevant laws. **Fundamental changes in circumstances in construction activities** comprise 3 cases: (i) Changes in policies and laws made by the State; (ii) Unforeseeable geological conditions, and (iii) Other cases as prescribed by relevant laws.

The Law on Construction 2025 provides that the determination of force majeure events and cases of



fundamental changes in circumstances must satisfy the conditions stipulated by civil law on force majeure events and performance of contracts upon fundamental changes in circumstances. Accordingly, individuals and organizations should refer to clause 1, Article 156, and clause 1, Article 420 of the Civil Code 2015 to determine force majeure events and fundamental changes in circumstances in construction activities. Force majeure events or fundamental changes in circumstances are relevant to the application of provisions on adjustment of construction investment projects under Article 28, amendment of construction contracts under Article 84, and the suspension and termination of construction contracts under Article 85 of the Law on Construction 2025.

The supplementation of provisions on force majeure events and fundamental changes in circumstances in construction activities aims to address the prolongation of project implementation periods and the occurrence of disputes (as the Law on Construction 2014 lacks specific legal provisions governing these matters), thereby preventing losses and waste in construction investment, expediting the commissioning of works without altering the scale or objectives of the projects.

Second, the Law on Construction 2025 amends the regulations on the feasibility study report for construction investment. Under the Law on Construction 2014, when a construction investment project is formulated, the construction design included in the feasibility study report for construction investment (referred to as the feasibility study report) was the basic design by default. However, the Law on Construction 2025 allows the investment decision-makers to decide on the use of FEED design or technical design in place of the basic design in the feasibility study report, subject to the nature and requirements of the project. This amendment aims to shorten the project preparation period.

With respect to the appraisal of feasibility study reports, under the Law on Construction 2025, the decision-maker of business investment projects shall be responsible for organizing the appraisal of:

- (i) The conformity of the feasibility study report or the Economic – Technical Report with the investment policy (if any);
- (ii) The conformity of the construction design with the construction design task;
- (iii) The conformity of the technological design with the project requirements (for projects with technological design);
- (iv) The investment and business requirements and

other relevant legal provisions.

Previously, the Law on Construction 2014 only required appraisal of item (iv) above.

In addition, the Law on Construction 2025 commands the approval by specialized construction authorities for: (i) Public investment projects; (ii) PPP projects; and (iii) Large-scale business investment projects or projects with works significantly affecting community safety and interests as prescribed by the Government. Such appraisal shall examine:

- (i) The conformity of the construction design with the planning used as the basis for project formulation;
- (ii) The capacity for connection with regional technical infrastructure;
- (iii) The compliance with technical regulations and application of standards as prescribed by the law on standards and technical regulations; factors constituting the construction safety of the construction design; assessment of fire safety design solutions as prescribed by the law on fire prevention and firefighting and rescue;
- (iv) The compliance with legal provisions on management of construction investment costs for public investment projects and PPP projects.

It can be seen that the Law on Construction 2025 is formulated in the direction that specialized construction authorities shall only control matters relating to the conformity of construction designs with planning, technical regulations, construction safety, fire prevention, and firefighting, etc. Matters concerning the conformity of feasibility study reports with investment policies and the conformity of construction designs with construction design tasks, etc., are assigned to the investment decision-makers for review and assessment.

Third, the Law on Construction 2025 amends the forms of organization for the management of construction investment projects. Previously, under the Law on Construction 2014, based on the scale, nature, source of capital and implementation conditions of a construction investment project, the investment decision-maker might decide to apply one of 4 project management organization forms: (i) Specialized construction investment project management unit, regional construction investment project management unit; (ii) Single-project construction investment project management unit; (iii) Affiliated professional apparatuses of project owners; (iv) Project management consultancy organizations. However, the Law on Construction 2025 now provides only 2 forms of management organization, including:

- (i) Construction investment project management unit

(formerly specialized construction investment project management unit, regional construction investment project management unit under the Law on Construction 2014). This unit may be assigned by the investment decision-maker to manage concurrently or consecutively projects of the same sector or within the same locality, and may provide project management consultancy services when meeting the prescribed conditions and capacity requirements.

(ii) The project owners organizing project management through hiring project management consultants, establishing its affiliated project management units, or directly managing the projects themselves.

This amendment aims to enhance the initiative and flexibility of project owners in organizing project implementation, while aligning with the restructuring of the central apparatus, as well as that of local government under the two-tier local government model.

Fourth, the Law on Construction 2025 amends the regulations on construction permits. Clause 2, Article 43 of the Law on Construction 2025 provides for cases in which construction works are exempt from construction permits. Many cases have been amended or newly supplemented compared with clause 2, Article 89 of the Law on Construction 2014, notably including: offshore works under offshore construction investment projects that have been allocated with sea areas by competent authorities; airports and works located within airports, air navigation works located outside airports; construction works under construction investment projects for which feasibility study reports or adjusted feasibility study reports have been appraised by specialized construction authorities and approved in accordance with the law; linear construction works in areas involving at least two provincial administrative divisions, etc.

It can be seen that the Law on Construction 2025 has gradually applied a new management principle, whereby the State management authority in charge of construction conducts only a single control for each project or construction work from the preparation stage up to the commencement of construction (each project or work is subject to only one administrative procedure). Specifically, construction works subject to the appraisal of feasibility study reports or adjusted feasibility study reports by specialized construction authorities and already obtaining their approval in accordance with the law are no longer required to apply for construction permits.

Overall, compared to the Law on Construction 2014, the Law on Construction 2025 demonstrates clear progress in reducing administrative procedures and strengthening the State management in the construction sector. The Law on Construction 2025 will take effect on July 01, 2026. In the coming period, the Government is expected to promulgate decrees providing detailed guidelines for several aspects of this Law, such as the formulation and appraisal of construction investment projects, construction permits, etc. Accordingly, organizations and individuals should proactively study and update the provisions of the Law on Construction 2025 and its guiding documents in order to promptly access and comply with the applicable legal framework. Should our valued Clients and readers wish to seek further information or legal advice regarding new policies and regulations under the Law on Construction 2025 or other construction-related legal matters, NHQuang&Associates stands ready to provide legal advice and relevant legal opinions.

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